

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1130**

Introduced by Jacobson, 42.

Read first time January 20, 2026

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to cities and villages; to adopt the Community
- 2 Improvement District Act; and to declare an emergency.
- 3 Be it enacted by the people of the State of Nebraska,

1       **Section 1.** Sections 1 to 59 of this act shall be known and may be  
2 cited as the Community Improvement District Act.

3       **Sec. 2.** For purposes of the Community Improvement District Act:

4       (1) Administrator means the person appointed by the Auditor of  
5 Public Accounts pursuant to section 42 of this act to manage the affairs  
6 of a community improvement district and to exercise the powers of the  
7 board of trustees during the period of the appointment to the extent  
8 prescribed in the Community Improvement District Act;

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

14       (3) Capital outlay means expenditures for construction or  
15 reconstruction of major permanent facilities having an expected long  
16 life, including, but not limited to, public infrastructure improvements;

17       (4) Development means the original installation of any public  
18 improvements to the standards of the city or village zoning standards;

19       (5) Operation and maintenance expenses means and includes, but is  
20 not limited to, salaries, cost of materials and supplies for operation  
21 and maintenance of the community improvement district's facilities, cost  
22 of ordinary repairs, replacements, and alterations, cost of surety bonds  
23 and insurance, cost of audits and other fees, and taxes;

24       (6) Public infrastructure means any publicly owned electric service  
25 lines and conduits, gas service lines and conduits, sanitary sewer lines,  
26 sanitary sewer system improvements, storm sewer lines, storm sewer system  
27 improvements, flood control improvements, water lines, water system  
28 improvements, emergency management warning system improvements,  
29 sidewalks, roads, streets, highways, pedestrian walkways, public spaces,  
30 public facilities, parks, playgrounds, recreational facilities, offstreet  
31 motor vehicle parking facilities, public waterways, docks, wharfs, rail

1    lines, flood control systems, flood control improvements, and related  
2    appurtenances, whether owned or to be owned by the community improvement  
3    district or another political subdivision;

4        (7) Public waterways means artificially created boat channels  
5    dedicated to public use and providing access to navigable rivers or  
6    streams;

7        (8) Redevelopment means the reconstruction, rehabilitation, or  
8    original installation of public infrastructure as long as prior public  
9    infrastructure has been installed in the community improvement district  
10   even if such installation occurred prior to the formation of the  
11   community improvement district; and

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

19        **Sec. 3.**    (1)(a) A majority of the owners, as determined in  
20   subsection (5) of this section, having an interest in the real property  
21   within the limits of a proposed community improvement district, situated  
22   wholly within a village or city in this state at the time of approval  
23   pursuant to section 6 of this act, may propose formation of a community  
24   improvement district for the purpose of construction, installation,  
25   improvement, equipping, maintenance, and repair of public infrastructure  
26   in or related to such community improvement district, and contracting  
27   with the city or village in which the community improvement district is  
28   located or other political subdivisions of this state for any public  
29   purpose. The real property included within a community improvement  
30   district may be contiguous or noncontiguous.

31        (b) Nothing in this section shall authorize community improvement

1    districts to purchase electric service and resell the same.

2        (c) For the purposes listed in this section, such majority of the  
3    owners may make and sign articles of association in which shall be stated  
4    (i) the name of the community improvement district, (ii) that the  
5    community improvement district will have perpetual existence, (iii) the  
6    limits of the community improvement district, (iv) the name and place of  
7    residence of each owner of the land in the proposed community improvement  
8    district, (v) the description of the several tracts of land situated in  
9    the community improvement district owned by those who may organize the  
10   community improvement district, and (vi) the name and the description of  
11   the real estate owned by any such owner who does not join in the  
12   organization of the community improvement district but who will be  
13   benefited thereby. Such owners of real estate as are unknown may also be  
14   set out in the articles as such.

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

29        (2) The articles of association shall state:

30        (a) The proposed community improvement district proposes an  
31   aggregate maximum permitted levy rate for all purposes in an amount not

1 to exceed ..... per \$100 of taxable valuation in such community  
2 improvement district, to be deposited and held in the funds of the  
3 community improvement district and used for general corporate purposes,  
4 including payment of principal of and interest on any outstanding bonds,  
5 warrants, and other obligations of the community improvement district;  
6 and

7 (b) The owners of real estate so forming the community improvement  
8 district for such purposes are willing and obligate themselves to pay the  
9 tax or taxes which may be levied against all the property in the  
10 community improvement district and special assessments against the real  
11 property benefited which may be assessed against them to pay the expenses  
12 that may be necessary for the purposes of the community improvement  
13 district as authorized in subsection (1) of this section.

14 (3) The articles shall propose the names of five or more trustees  
15 who (a) live in the purposed community improvement district, (b) are  
16 owners of real estate located in the proposed community improvement  
17 district, or (c) are designees of the owners if the real estate is owned  
18 by a limited partnership, a general partnership, a limited liability  
19 company, a public, private, or municipal corporation, an estate, or a  
20 trust. The five trustees approved pursuant to section 6 of this act shall  
21 serve as a board of trustees until their successors are elected and  
22 qualified if such community improvement district is organized.

23 (4) After the articles are signed, the same shall be filed in the  
24 office of the clerk of the city or village in which such community  
25 improvement district shall be located together with a request that the  
26 city council of the city or board of trustees of the village in which  
27 such articles of association have been filed pass and approve an  
28 ordinance approving formation of such community improvement district  
29 pursuant to the Community Improvement District Act.

30 (5) For purposes of subsection (1) of this section, a majority of  
31 the owners having an interest in the real property in a proposed

1    community improvement district is determined as follows:

2        (a) If the real property in a proposed community improvement  
3    district is currently zoned commercial or industrial, a majority of the  
4    owners is determined based on the number of acres owned in the proposed  
5    boundary of the community improvement district;

6        (b) If the real property in a proposed community improvement  
7    district is currently zoned residential, a majority of the owners is  
8    determined based on the majority of the number of residential lots or  
9    condominium units in the proposed boundary of the community improvement  
10   district, regardless of lot size;

11       (c) If the real property in a proposed community improvement  
12   district is currently zoned agricultural, majority means all real  
13   property owners; and

14       (d) If the real property in a proposed community improvement  
15   district is a combination of subdivisions (a) through (c) of this  
16   subsection, a majority of the owners is determined giving equal weight to  
17   each acre and each residential lot and must include all owners of  
18   agricultural land in the proposed boundary of the community improvement  
19   district.

20       Sec. 4. (1) Immediately after the articles of association and  
21   request for approval have been filed, as provided for by subsection (4)  
22   of section 3 of this act, the clerk of the city or village where the  
23   articles are filed shall schedule a hearing to be held within ninety days  
24   after the date of such filing by the city council or village board of  
25   trustees regarding formation of the proposed community improvement  
26   district and any objections to such formation.

27       (2) The city or village clerk shall publish a notice of association  
28   in a newspaper of general circulation in the city or village and in the  
29   proposed community improvement district in one publication at least sixty  
30   days prior to the date of such hearing and in the four weekly  
31   publications of such newspaper immediately preceding the date set for

1    such hearing, which notice shall set forth the following:

2        (a) That the articles of association have been filed in the office  
3    of the city or village clerk and are available for inspection and the  
4    purpose thereof;

5        (b) The date and time of the hearing scheduled regarding formation  
6    of the proposed community improvement district and any objections thereto  
7    and that any written objections regarding such community improvement  
8    district shall be filed with the city or village clerk at least seven  
9    calendar days prior to the date of such hearing;

10       (c) A description of the real estate proposed to be included in the  
11    community improvement district and that the owner or owners of such real  
12    estate will be affected by formation of such community improvement  
13    district and rendered liable to taxation and special assessment in  
14    accordance with law and in addition to any other taxes or assessments of  
15    the city or village and other existing taxing entities, for the purpose  
16    of construction, installation, improvement, equipping, maintenance, and  
17    repair of public infrastructure in or related to such community  
18    improvement district, and contracting with the city or village in which  
19    the community improvement district is located or other political  
20    subdivisions of this state for any public purpose;

21       (d) The names of the proposed trustees;

22       (e) The proposed aggregate maximum permitted levy rate for all  
23    purposes, stated as an amount not to exceed ..... per \$100 of taxable  
24    valuation in such community improvement district, to be deposited and  
25    held in the funds of the community improvement district and used for  
26    general corporate purposes, including payment of principal of and  
27    interest on any outstanding bonds, warrants, and other obligations of the  
28    community improvement district; and

29       (f) That application has been made to the city or village to declare  
30    to the district a community improvement district pursuant to the  
31    Community Improvement District Act.

1       (3) The city or village clerk shall mail a copy of such notice of  
2 association to the several owners of real estate in the proposed  
3 community improvement district who have not signed the articles of  
4 association. The notice shall be sent via certified mail service to the  
5 last-known address of each such owner no later than ten days after  
6 publishing the first notice of association, with a return receipt  
7 requested showing to whom and where the notice was delivered and the date  
8 of delivery.

9       **Sec. 5.** Any owner of real estate situated in the proposed community  
10 improvement district who has not signed the articles of association and  
11 who may object to the organization of the community improvement district  
12 or to any one or more of the proposed trustees shall, at least seven  
13 calendar days prior to the date of the hearing scheduled pursuant to  
14 subsection (1) of section 4 of this act, file any such objection in  
15 writing with the city or village clerk where the articles were filed,  
16 stating (1) why such community improvement district should not be  
17 organized and declared a public corporation in this state, (2) why the  
18 owner's real estate should not be embraced in the limits of such  
19 community improvement district, and (3) any objections to the proposed  
20 trustees.

21       **Sec. 6.** (1) The hearing with respect to such application and any  
22 objections scheduled pursuant to subsection (1) of section 4 of this act  
23 shall be held by the city council or village board of trustees on the  
24 date and time provided in the notice of association. At the conclusion of  
25 such hearing, subject to subsections (2) and (3) of this section, the  
26 city council or village board of trustees may pass an ordinance which (a)  
27 specifies the property included in the community improvement district,  
28 (b) names five trustees as the board of trustees of such community  
29 improvement district to serve until their successors are elected and  
30 qualified pursuant to the Community Improvement District Act, (c)  
31 specifies the maximum levy rate for all purposes stated as an amount not

1 to exceed ..... per \$100 of taxable valuation in such community  
2 improvement district, to be deposited and held in the funds of the  
3 community improvement district and used for general corporate purposes,  
4 including payment of principal of and interest on any outstanding bonds,  
5 warrants, and other obligations of the community improvement district,  
6 and (d) declares the community improvement district a duly formed  
7 political subdivision and community improvement district pursuant to the  
8 Community Improvement District Act. Such ordinance shall not be passed  
9 unless and until all property included in such proposed community  
10 improvement district is within the corporate limits of the city or  
11 village.

12 (2) If any objection to the formation of such community improvement  
13 district is filed by a property owner within the community improvement  
14 district who did not sign the articles of association, the application  
15 shall not be approved by the city council or village board of trustees  
16 unless (a) the boundaries are amended to remove the property owned by  
17 such objecting property owner or (b) the city council or village board of  
18 trustees determines that inclusion of such property within the community  
19 improvement district (i) is necessary to the public health or welfare of  
20 the community improvement district and the city or village, or (ii) is  
21 appropriate because such property will be specially benefitted by public  
22 infrastructure improvements expected to be made by the community  
23 improvement district.

24 (3) In case of objection to any of the nominated trustees, the city  
25 council or village board of trustees may identify and name other suitable  
26 trustees to serve on the board of trustees of such community improvement  
27 district who shall be (a) owners of real estate located in the community  
28 improvement district or (b) designated to serve as representatives on the  
29 board of trustees if the real estate is owned by a limited partnership, a  
30 general partnership, a limited liability company, a public, private, or  
31 municipal corporation, an estate, or a trust.

1        **Sec. 7.** A community improvement district shall be a body corporate  
2        and politic by the name of Community Improvement District  
3        Number ..... of the (city or village) of ..... and shall have  
4        the power and authority to take and hold real and personal property  
5        necessary for its use, to levy property taxes, to make contracts, to sue  
6        and be sued, and to exercise any and all other powers, as a corporation,  
7        necessary to carry out the purposes of the Community Improvement District  
8        Act.

9        **Sec. 8.** Within forty-five days after a community improvement  
10      district has been declared a public corporation by the city council or  
11      village board of trustees, the clerk of the community improvement  
12      district shall transmit to the Secretary of State a certified copy of the  
13      record relating thereto, including a copy of the articles of association,  
14      and the same shall be filed in the office of the Secretary of State in  
15      the same manner as articles of incorporation are required to be filed  
16      under the general law concerning corporations. A copy of such record,  
17      including a copy of the articles of association and a plat of the  
18      community improvement district, shall also be filed in the office of the  
19      county clerk of the county in which the community improvement district,  
20      or any part thereof, is situated.

21      **Sec. 9.** (1) Within thirty days after the city council or village  
22      board of trustees has declared a community improvement district to be a  
23      public corporation, the trustees appointed upon formation shall meet and  
24      elect one of their number chairperson and one of their number clerk of  
25      the community improvement district.

26      (2) Except as otherwise provided, the board of trustees shall:  
27      (a) Keep a record of all of its proceedings which shall be open to  
28      inspection by all owners of real estate in the community improvement  
29      district;

30      (b) Have the power to pass all necessary resolutions, orders, rules,  
31      and regulations for the necessary conduct of its business and to carry

1 into effect the objects for which the community improvement district was  
2 formed; and

3 (c) Have the authority to appoint, employ, and pay accountants,  
4 attorneys, engineers, municipal advisors, underwriters, and such other  
5 professional or clerical help as may be needed, who shall each be  
6 removable at the pleasure of the board or administrator.

7 (3) Upon the appointment of an administrator for the community  
8 improvement district pursuant to sections 42 to 51 of this act, the  
9 authority of the trustees to exercise the powers granted in this section  
10 shall be suspended, except that the board shall continue in existence and  
11 the administrator shall periodically, but not less frequently than  
12 monthly, report to the board in writing on all decisions and actions  
13 taken by the administrator in managing the affairs of the community  
14 improvement district. The administrator shall, during the period of his  
15 or her appointment, possess exclusive authority to exercise the powers  
16 and duties conferred in the Community Improvement District Act.

17 **Sec. 10.** Within thirty days after the creation of a community  
18 improvement district, the clerk of the community improvement district  
19 shall file with the register of deeds, county clerk, and election  
20 commissioner, of each county or counties in which the community  
21 improvement district is located, a statement containing the following  
22 information: (1) The community improvement district number; (2) the outer  
23 boundaries of the community improvement district; (3) that the community  
24 improvement district has the power to levy a property tax and indicate  
25 the rate approved pursuant to section 6 of this act to pay its debt and  
26 its expenses of operation and maintenance; (4) that the community  
27 improvement district may levy special assessments on property in the  
28 community improvement district to the full extent of special benefits  
29 arising by reason of development improvements installed by the community  
30 improvement district; (5) that the annual budget of the community  
31 improvement district is filed with the Auditor of Public Accounts, which

1 budget shows the anticipated revenue and expenses, tax levy, and  
2 indebtedness of the community improvement district; (6) that the actual  
3 current tax levy amount of the community improvement district may be  
4 obtained from each county in which the community improvement district is  
5 located; and (7) that a copy of the annual financial audit of the  
6 community improvement district is on file with the clerk of the community  
7 improvement district and the Auditor of Public Accounts. Such statement  
8 shall be supplemented and refiled to indicate any land added to or  
9 removed from the community improvement district after the original  
10 filing.

11 **Sec. 11.** The chairperson and clerk or administrator of any  
12 community improvement district shall, upon assuming his or her respective  
13 office, execute and file with the city or village clerk of the city or  
14 village in which such community improvement district is located, a bond,  
15 with one or more sureties, to be approved by the city or village clerk,  
16 running to the State of Nebraska in the penal sum of five thousand  
17 dollars for the chairperson, twenty thousand dollars for the clerk, and  
18 twenty thousand dollars for the administrator, conditioned for the  
19 faithful performance of their official duties and the faithful accounting  
20 by them for all funds and property of the community improvement district  
21 that shall come into their possession or control during their term of  
22 office. The premium, if any, on any such bond shall be paid out of the  
23 funds of the community improvement district. Suit may be brought on such  
24 bonds by any person, firm, or corporation that has sustained loss or  
25 damage in consequence of the breach thereof.

26 **Sec. 12.** (1) Except as provided in subsection (5) of section  
27 84-1411, the clerk or administrator of each community improvement  
28 district shall notify the city or village where such district is located  
29 of all meetings of the community improvement district board of trustees  
30 or called by the administrator by sending a notice of such meeting to the  
31 clerk of the city or village not less than seven days prior to the date

1   set for any meeting. In the case of meetings called by the administrator,  
2   notice shall be provided to the clerk of the community improvement  
3   district not less than seven days prior to the date set for any meeting.

4       (2) Except as provided in subsection (5) of section 84-1411, within  
5   the timeframe required by subsection (3) of section 84-1413, after any  
6   meeting of a community improvement district board of trustees or called  
7   by the administrator, the clerk or administrator of the community  
8   improvement district shall transmit to the city or village where the  
9   community improvement district is located a copy of the minutes of such  
10   meeting.

11       **Sec. 13.** (1)(a) On or before December 31 of each year, the clerk of  
12   each community improvement district shall file with the register of deeds  
13   or the clerk of the city or village in which the community improvement  
14   district is located a statement updated each December 31 containing the  
15   following information:

16           (i) The names of the members of the current board of trustees of the  
17   community improvement district;

18           (ii) The names of the following if applicable: Current attorney,  
19   accountant, engineer, underwriter, and municipal advisor of the community  
20   improvement district;

21           (iii) The warrant and the bond principal indebtedness of the  
22   community improvement district as of the preceding June 30. Such  
23   statement shall contain an acknowledgment that the warrant and  
24   indebtedness are reflective of such date; and

25           (iv) The current tax levy of the community improvement district, as  
26   described in section 21 of this act, as of December 31.

27           (b) For any late filing of the statement, the community improvement  
28   district shall be assessed a late fee of ten dollars per day by the  
29   register of deeds or the clerk of the city or village, not to exceed a  
30   total of three hundred dollars for each late filing.

31           (2) The real estate broker or salesperson or, if none, the owner of

1    the real estate shall distribute the most recent statement filed in  
2    accordance with this section to any prospective purchaser of any real  
3    estate located within a community improvement district.

4    (3) The real estate broker or salesperson or, if none, the owner  
5    shall obtain an acknowledgment from any purchaser of any real estate  
6    located within a community improvement district that the purchaser  
7    understands the property is located within a community improvement  
8    district. Such acknowledgment may be obtained separately from the  
9    disclosure required under section 76-2,120.

10    (4) The statement shall be distributed and the acknowledgment  
11    obtained on or before the date on which the purchaser becomes obligated  
12    to purchase such real estate. The exclusive remedy for failure to provide  
13    such statements and obtain such acknowledgments shall be an action for  
14    damages, and any such failure shall not affect title to the real estate  
15    or the validity of the conveyance.

16    **Sec. 14.** (1)(a) On the first Tuesday after the second Monday in  
17    September which is at least fifteen months after the city council or  
18    village board of trustees passes the ordinance creating a community  
19    improvement district and on the first Tuesday after the second Monday in  
20    September each two years thereafter, the board of trustees shall cause a  
21    special election to be held, at which election a board of trustees shall  
22    be elected. The board of trustees shall have five members except as  
23    provided in subsection (2) of this section. Each member elected to the  
24    board of trustees shall be elected to a term of two years and shall hold  
25    office until such member's successor is elected and qualified. Any person  
26    desiring to file for the office of trustee may file for such office with  
27    the election commissioner or county clerk of the county in which the  
28    greater proportion in area of the community improvement district is  
29    located not later than fifty days before the election. If such person  
30    will serve on the board of trustees as a designated representative of a  
31    limited partnership, general partnership, limited liability company,

1    public, private, or municipal corporation, estate, or trust which owns  
2    real estate in the community improvement district, the filing shall  
3    indicate that fact and shall include appropriate documentation evidencing  
4    such fact. No filing fee shall be required. A person filing for the  
5    office of trustee to be elected at the election held six years after the  
6    first election of trustees and each election thereafter shall designate  
7    whether such person is a candidate for election by the resident owners of  
8    such community improvement district or a candidate for election by all of  
9    the owners of real estate located in the community improvement district.  
10   If a person filing for the office of trustee is a designated  
11   representative of a limited partnership, a general partnership, a limited  
12   liability company, a public, private, or municipal corporation, an  
13   estate, or a trust which owns real estate in the community improvement  
14   district, the name of such entity shall accompany the name of the  
15   candidate on the ballot in the following form: (Name of candidate) to  
16   represent (name of entity) as a member of the board. The name of each  
17   candidate shall appear on only one ballot.

18        (b) The name of a person may be written in and voted for as a  
19        candidate for the office of trustee, and such write-in candidate may be  
20        elected to the office of trustee. A write-in candidate for the office of  
21        trustee who will serve as a designated representative of a limited  
22        partnership, a general partnership, a limited liability company, a  
23        public, private, or municipal corporation, an estate, or a trust which  
24        owns real estate in the community improvement district shall not be  
25        elected to the office of trustee unless (i) each vote is accompanied by  
26        the name of the entity which the candidate will represent and (ii) within  
27        ten days after the date of the election the candidate provides the  
28        election commissioner or county clerk with appropriate documentation  
29        evidencing the candidate's representation of the entity. Votes cast which  
30        do not carry such accompanying designation shall not be counted.

31        (c) A trustee shall be an owner of real estate located in the

1    community improvement district or shall be a person designated to serve  
2    as a representative on the board of trustees if the real estate is owned  
3    by a limited partnership, a general partnership, a limited liability  
4    company, a public, private, or municipal corporation, an estate, or a  
5    trust. Notice of the date of the election shall be mailed by the clerk of  
6    the community improvement district not later than sixty-five days prior  
7    to the election to each person who is entitled to vote at the election  
8    for trustees whose property ownership or lease giving a right to vote is  
9    of record on the records of the register of deeds as of a date designated  
10   by the election commissioner or county clerk, which date shall be not  
11   more than eighty days prior to the election.

12        (2)(a) For any community improvement district, a person whose  
13   ownership or right to vote becomes of record or is received after the  
14   date specified pursuant to subsection (1) of this section may vote when  
15   such person establishes the right to vote to the satisfaction of the  
16   election board appointed pursuant to section 15 of this act. At the first  
17   election and at the election held two years after the first election, any  
18   person may cast one vote for each trustee for each acre of unplatte  
19   land or fraction thereof and one vote for each platted lot which such person  
20   may own in the community improvement district.

21        (b) This subdivision applies to a community improvement district  
22   until the board of trustees amends its articles of association pursuant  
23   to subdivision (2)(d) of this section. At the election held six years  
24   after the first election of trustees, two members of the board of  
25   trustees shall be elected by the legal property owners resident within  
26   such community improvement district and three members shall be elected by  
27   all of the owners of real estate located in the community improvement  
28   district pursuant to this section. Every resident property owner may cast  
29   one vote for a candidate for each office of trustee to be filled by  
30   election of resident property owners only. Such resident property owners  
31   may also each cast one vote for each acre of unplatte  
      land or fraction

1    thereof and for each platted lot owned within the community improvement  
2    district for a candidate for each office of trustee to be filled by  
3    election of all property owners. For each office of trustee to be filled  
4    by election of all property owners of the community improvement district,  
5    every legal property owner not resident within such community improvement  
6    district may cast one vote for each acre of unplatte land or fraction  
7    thereof and one vote for each platted lot which such legal property owner  
8    owns in the community improvement district. At the election held eight  
9    years after the first election of trustees and at each election  
10    thereafter, three members of the board of trustees shall be elected by  
11    the legal property owners resident within such community improvement  
12    district and two members shall be elected by all of the owners of real  
13    estate located in the community improvement district pursuant to this  
14    section. If there are not any legal property owners resident within such  
15    community improvement district or if not less than ninety percent of the  
16    area of the community improvement district is owned for other than  
17    residential uses, the five members shall be elected by the legal property  
18    owners of all property within such community improvement district as  
19    provided in this section.

20        (c) Any public, private, or municipal corporation owning any land or  
21        lot in the community improvement district may vote at an election the  
22        same as an individual. If more than fifty percent of the homes in any  
23        community improvement district are used as a second, seasonal, or  
24        recreational residence, the owners of such property shall be considered  
25        legal property owners resident within such community improvement district  
26        for purposes of electing trustees. For purposes of voting for trustees,  
27        each condominium apartment under a condominium property regime  
28        established under the Nebraska Condominium Act shall be deemed to be a  
29        platted lot and the lessee or the owner of the lessee's interest, under  
30        any lease for an initial term of not less than twenty years which  
31        requires the lessee to pay taxes and special assessments levied on the

1    leased property, shall be deemed to be the owner of the property so  
2    leased and entitled to cast the vote of such property. When ownership of  
3    a platted lot or unplatted land is held jointly by two or more persons,  
4    whether as joint tenants, tenants in common, limited partners, members of  
5    a limited liability company, or any other form of joint ownership, only  
6    one person shall be entitled to cast the vote of such property. The  
7    executor, administrator, guardian, or trustee of any person or estate  
8    interested shall have the right to vote. No corporation, estate, or  
9    irrevocable trust shall be deemed to be a resident owner for purposes of  
10   voting for trustees. Should two or more persons or officials claim the  
11   right to vote on the same tract, the election board appointed pursuant to  
12   section 15 of this act shall determine the party entitled to vote.

13        (d) For any community improvement district which has been in  
14   existence for at least ten years, which has less than seventy property  
15   owners entitled to vote for trustees, which has at least two resident  
16   property owners, and in which less than ten percent of the area of the  
17   community improvement district is owned for other than residential uses,  
18   the board of trustees may amend its articles of association as provided  
19   in section 23 of this act to provide for a reduction in the number of  
20   trustees on the board from five members to three members to be effective  
21   at the beginning of the term of office for the board of trustees elected  
22   at the next election. At the next election and at each election  
23   thereafter, two members of the board of trustees shall be elected by the  
24   legal property owners resident within such community improvement district  
25   and one member shall be elected by all of the owners of real estate  
26   located in the community improvement district pursuant to this section.  
27   Every resident property owner may cast one vote for a candidate for each  
28   office of trustee to be filled by election of resident property owners  
29   only. Such resident property owners may also each cast one vote for each  
30   acre of unplatted land or fraction thereof and for each platted lot owned  
31   within the community improvement district for a candidate for the office

1    of trustee to be filled by election of all property owners. For the  
2    office of trustee to be filled by election of all property owners of the  
3    community improvement district, every legal property owner not resident  
4    within such community improvement district may cast one vote for each  
5    acre of unplatte land or fraction thereof and one vote for each platted  
6    lot which such legal property owner owns in the community improvement  
7    district.

8        (3) The election commissioner or county clerk shall hold any  
9    election required by subsection (1) of this section by sealed mail ballot  
10   by notifying the board of trustees on or before July 1 of a given year.  
11   The election commissioner or county clerk shall, at least twenty days  
12   prior to the election, mail a ballot and return envelope to each person  
13   who is entitled to vote at the election and whose property ownership or  
14   lease giving a right to vote is of record with the register of deeds as  
15   of the date designated by the election commissioner or county clerk,  
16   which date shall not be more than eighty days prior to the election. The  
17   ballot and return envelope shall include: (a) The names and addresses of  
18   the candidates; (b) room for write-in candidates; and (c) instructions on  
19   how to vote and return the ballot. Such ballots shall be returned in the  
20   return envelope to the election commissioner or county clerk no later  
21   than 5 p.m. on the date set for the election. If the ballot is not  
22   returned in the return envelope, such ballot shall not be counted. If  
23   more than one ballot is included in the same return envelope, such  
24   ballots shall not be counted and shall be reinserted into the return  
25   envelope which shall be resealed and marked rejected.

26        Sec. 15. (1)(a) At any election held to elect trustees of a  
27   community improvement district, the ballots shall be received, counted,  
28   and canvassed by an election board of two or more persons appointed by  
29   the election commissioner or county clerk.

30        (b) Such board shall select one of their number as chairperson and  
31   one of their number as clerk. In case of a vacancy on such board, a new

1 member shall be appointed pursuant to subdivision (a) of this subsection.

2 (2) For any community improvement district, the election  
3 commissioner or county clerk shall certify the results of the election to  
4 the community improvement district.

5 (3) If an election is contested involving a community improvement  
6 district board of trustees, the Election Act shall apply.

7 **Sec. 16.** Not later than June first of each year, the election  
8 commissioner or county clerk shall determine which community improvement  
9 districts in the county are required to hold elections in such year and  
10 shall so notify the clerk of each such community improvement district on  
11 or before July first of such year. The entire costs of conducting the  
12 election shall be borne by the community improvement district holding the  
13 election, and such costs shall include all expenses such as procuring a  
14 list of the property owners of record in each such community improvement  
15 district, printing and mailing notices of the elections to such property  
16 owners, printing, preparing, and mailing ballots, paying compensation and  
17 mileage for the election boards conducting such elections, and also  
18 indirect expenses, such as the pro rata amount of any additional clerical  
19 expense or other miscellaneous expenses to be incurred by the election  
20 commissioner or county clerk in conducting all of such elections to be  
21 held in such calendar year. Within sixty days after the elections have  
22 been held, each community improvement district shall be charged and  
23 billed for all of the actual expenses incurred by the election  
24 commissioner or county clerk attributable to such community improvement  
25 district. Payment of the total amount billed to the community improvement  
26 district shall be in currency and made by the attorney for the community  
27 improvement district to the election commissioner or county clerk within  
28 sixty days after receipt of such billing.

29 **Sec. 17.** Notwithstanding the appointment of an administrator for  
30 any community improvement district pursuant to sections 42 to 51 of this  
31 act, special elections shall be held for the election of members of the

1 board of trustees for such community improvement district in the same  
2 manner and at the same time as such elections would be held under  
3 sections 14 and 15 of this act. In a community improvement district for  
4 which such an administrator has been appointed when the board of trustees  
5 of such community improvement district is not functioning, the  
6 administrator shall cause a special election of trustees to be held  
7 within sixty days after the issuance of a certificate of appointment of  
8 such administrator, at which election a board of trustees shall be  
9 elected to a term of office which shall expire on the first Tuesday of  
10 the second September following the appointment of such administrator. The  
11 board of trustees shall have five members unless the board has amended  
12 its articles of association to decrease the number of trustees on the  
13 board to three members pursuant to subdivision (2)(d) of section 14 of  
14 this act.

15 **Sec. 18.** A community improvement district may acquire by purchase,  
16 condemnation, or otherwise, real or personal property, right-of-way, and  
17 privilege, within or without its corporate limits, necessary for its  
18 corporate purposes. Such acquisition by the community improvement  
19 district may be effected only after approval by the city or village  
20 having zoning jurisdiction over such property. The approval of plans and  
21 specifications for the public improvement or project, or the approval of  
22 plans and exact costs for public parks, playgrounds, and recreational  
23 facilities, as required by section 22 of this act, shall be deemed to be  
24 approval for the acquisition by the community improvement district of  
25 such fee title, easements, or other interests in such property as may be  
26 required for the public improvement or project.

27 **Sec. 19.** Whenever the board of trustees or administrator of any  
28 community improvement district shall by order determine to make any  
29 public improvement under the provisions of the Community Improvement  
30 District Act which shall require that private property be taken or  
31 damaged, the community improvement district may exercise the power of

1 eminent domain. The procedure to condemn property shall be exercised in  
2 the manner set forth in sections 76-704 to 76-724. Such taking by the  
3 community improvement district may be effected only after approval by the  
4 city or village having any zoning jurisdiction over such property.

5 Sec. 20. Whenever it shall be necessary, in making any improvement  
6 under the provisions of the Community Improvement District Act, to enter  
7 upon or cross any state or public lands, the community improvement  
8 district shall have the right to acquire a right-of-way across the same  
9 by the exercise of the power of eminent domain.

10 Sec. 21. (1) The community improvement district shall have the  
11 power to annually levy a tax on the taxable value of the taxable property  
12 in the community improvement district at an aggregate rate not to exceed  
13 the levy rate specified in the articles of organization and approved by  
14 ordinance of the city or village pursuant to section 6 of this act, the  
15 proceeds of which shall be deposited to and held in the general fund,  
16 bond fund, or other fund or account established as determined by the  
17 board of trustees of such community improvement district, and used for  
18 payment of bonds and warrants, and other general corporate purposes of  
19 the community improvement district as permitted by the Community  
20 Improvement District Act.

21 (2) The county treasurer of the county in which the greater portion  
22 of the area of the community improvement district is located shall be ex  
23 officio treasurer of the community improvement district and shall be  
24 responsible for all funds of the community improvement district coming  
25 into his or her hands. As treasurer of the community improvement district  
26 he or she shall (a) establish such funds and accounts on behalf of the  
27 community improvement district as he or she determines necessary or  
28 appropriate at the direction of the board of trustees of the community  
29 improvement district and (b) collect all taxes and special assessments  
30 levied by the community improvement district and deposit the same in the  
31 appropriate funds and accounts of the community improvement district for

1    the payment of principal and interest on any bonds, warrants, and other  
2    obligations outstanding and for general corporate purposes of the  
3    community improvement district, all in accordance with action of the  
4    board of trustees of the community improvement district.

5        (3) The treasurer of the community improvement district shall not be  
6    responsible for funds of the community improvement district until they  
7    are received by him or her. The treasurer of the community improvement  
8    district shall disburse the funds of the community improvement district  
9    upon the direction of the trustees or the administrator and signed by the  
10   chairperson and clerk of the community improvement district or the  
11   administrator, including issuance of warrants and other action of the  
12   board of trustees.

13       Sec. 22. (1) The board of trustees or the administrator of any  
14   community improvement district organized under the Community Improvement  
15   District Act shall have power to:

16        (a) Construct, install, improve, equip, maintain, and repair public  
17   infrastructure in or related to such community improvement district; and

18        (b) Contract with the city or village or other political subdivision  
19   in which such community improvement district is located for any public  
20   purpose of such community improvement district, city or village, or other  
21   political subdivision.

22        (2) Prior to the installation of any of the public infrastructure or  
23   entering into a contract for any capital improvement with another  
24   political subdivision, the plans or contracts for such improvements or  
25   services and estimated costs shall be approved by the city or village in  
26   which the community improvement district is located. The community  
27   improvement district shall obtain approval of such plans for such  
28   improvements, and any changes thereto, from the city or village in which  
29   the community improvement district is located, and such city or village  
30   shall enforce compliance with such plans by action in equity.

31        (3)(a) Each community improvement district shall have the books of

1 account kept by the board of trustees of the community improvement  
2 district examined and audited by a certified public accountant or a  
3 public accountant for the year ending June 30 and shall file a copy of  
4 the audit with the office of the Auditor of Public Accounts by December  
5 31 of the same year. Such audits may be waived by the Auditor of Public  
6 Accounts upon proper showing by the community improvement district that  
7 the audit is unnecessary. Such examination and audit shall show the  
8 following:

9 (i) The gross income of the community improvement district from all  
10 sources for the previous year;  
11 (ii) The amount expended each year for (A) maintenance and repairs,  
12 (B) new equipment, (C) new construction work, and (D) property purchased;  
13 (iii) A detailed statement of all items of expense;  
14 (iv) The total amount of taxes levied upon the property within the  
15 community improvement district; and  
16 (v) All other facts necessary to give an accurate and comprehensive  
17 view of the cost of carrying on the activities and work of such community  
18 improvement district.

19 (b) The reports of all audits provided for in this subsection shall  
20 be and remain a part of the public records in the office of the Auditor  
21 of Public Accounts. The expense of such audits shall be paid out of the  
22 funds of the community improvement district. The Auditor of Public  
23 Accounts shall be given access to all books and papers, contracts,  
24 minutes, bonds, and other documents and memoranda of every kind and  
25 character of such community improvement district and be furnished all  
26 additional information possessed by any present or past officer or  
27 employee of any such community improvement district, or by any other  
28 person, that is essential to the making of a comprehensive and correct  
29 audit.

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

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

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

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

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

25        (7) A community improvement district shall be subject to all  
26   regulatory authority, zoning jurisdiction, and other jurisdictional  
27   provision of the city or village in which such community improvement  
28   district is located. Each community improvement district shall have and  
29   the board of trustees may exercise, subject to the regulatory  
30   jurisdiction and permitting authority of such city or village and all  
31   other applicable governing bodies and agencies having authority with

1   respect to any area included in the community improvement district, the  
2   powers relating to public infrastructure and other improvements provided  
3   in this section and authorized by the Community Improvement District Act.

4    **Sec. 23.** Whenever a majority of the board of trustees shall deem it  
5   advisable to amend the articles of association of the community  
6   improvement district to change the maximum permitted levy rate, and after  
7   a proposed amendment to the articles of association has been signed by a  
8   majority of the owners having an interest in the real property within the  
9   limits of the community improvement district, the community improvement  
10   district clerk shall file an application for such amendment with the city  
11   or village clerk with a request that the maximum permitted levy rate be  
12   changed, all in the same manner as approval of the initial articles of  
13   association pursuant to the Community Improvement District Act. The city  
14   or village clerk shall process any such request in the same manner as an  
15   initial application for approval of articles of association, shall  
16   schedule a hearing, publish notices, and mail notices to any owner of  
17   property in the community improvement district who did not sign the  
18   proposed amendment, and such city council or village board of trustees  
19   may approve the proposed amendment by ordinance in a similar manner to  
20   the initial articles of association as provided in section 6 of this act.

21    **Sec. 24.** All contracts for construction work to be done or  
22   materials or equipment purchased, the expense of which is more than fifty  
23   thousand dollars, shall be let to the lowest responsible bidder, upon  
24   notice of not less than twenty days, of the terms and conditions of the  
25   contract to be let. The board of trustees or the administrator shall have  
26   the power to reject any and all bids and readvertise for the letting of  
27   such work or to negotiate any contract after an unsuccessful public  
28   letting.

29    **Sec. 25.** (1) Whenever the board of trustees or the administrator  
30   deems it advisable or necessary to build, reconstruct, purchase, or  
31   otherwise acquire public infrastructure improvements or to incur other

1   costs permitted by the Community Improvement District Act, the board of  
2   trustees shall declare the advisability and necessity therefor in a  
3   proposed resolution.

4       (2) Such proposed resolution of necessity shall refer to the plans  
5   and specifications for the proposed improvements, proposed agreements or  
6   contracts, together with the estimated cost thereof which have been made  
7   and filed with the community improvement district clerk before the  
8   publication of such resolution. The proposed resolution shall state the  
9   amount of such estimated cost.

10      (3) Except as provided in subsection (4) of this section, the board  
11   of trustees or the administrator may assess, to the extent of special  
12   benefits, the cost of such improvements upon properties specially  
13   benefited thereby. The resolution shall state the outer boundaries of the  
14   area within the community improvement district in which it is proposed to  
15   make special assessments.

16      (4) Notwithstanding anything to the contrary in the Community  
17   Improvement District Act, a community improvement district shall not  
18   specially assess the cost of public infrastructure for redevelopment  
19   unless and until such community improvement district has obtained prior  
20   approval by resolution of the city council or village board of trustees.

21      **Sec. 26.**   (1) Notice of the time and place, which place shall be in  
22   the city or village where the community improvement district is  
23   organized, when any resolution proposed under section 25 of this act  
24   shall be set for consideration before the board of trustees or the  
25   administrator, shall be given the same day each week two consecutive  
26   weeks in a newspaper of general circulation published in the city or  
27   village where the community improvement district was organized, which  
28   publication shall contain the entire wording of the proposed resolution.  
29   The last publication shall not be less than five days nor more than two  
30   weeks prior to the time set for hearing on objections to the adoption of  
31   any such proposed resolution, at which hearing the owners of the property

1    which might become subject to assessment for the contemplated improvement  
2    may appear and make objections to the proposed improvement. Thereupon the  
3    resolution may be amended and adopted or adopted as proposed.

4        (2) If a petition opposing the proposed resolution, signed by  
5    property owners representing a majority of the front footage which may  
6    become subject to assessment for the cost of any improvements as set  
7    forth by the proposed resolution, is filed with the clerk of the  
8    community improvement district within three days before the date of the  
9    meeting for the hearing on such proposed resolution, such proposed  
10   resolution shall not be adopted.

11        **Sec. 27.** Upon compliance with sections 25 and 26 of this act, the  
12   board of trustees or the administrator may by resolution order the  
13   contracting, making, reconstruction, purchase, or otherwise acquiring of  
14   any of the improvements provided for in the Community Improvement  
15   District Act.

16        **Sec. 28.** After ordering any such improvements, other than payment  
17   of contracts to other political subdivisions, as provided in the  
18   Community Improvement District Act, the board of trustees or the  
19   administrator may enter into a contract for the construction of such  
20   improvement in one or more contracts, but no work shall be done or  
21   contract let until notice to contractors has been published in a legal  
22   newspaper of general circulation in the city or village where the  
23   community improvement district is organized. The notice shall be  
24   published the same day each week two consecutive weeks in such newspaper  
25   and shall generally state (1) the extent of the work, (2) the kinds of  
26   material to be bid upon, including in such notice all kinds of material  
27   mentioned in the resolution as provided in section 25 of this act, (3)  
28   the amount of the engineer's estimate of the cost of such improvements,  
29   (4) the time when bids will be received, and (5) the amount of the  
30   certified check or bid bond required to accompany the bids. Each bid  
31   shall be accompanied in a separate sealed envelope by a certified check

1    or bid bond in an amount to be named in the notice, which amount shall be  
2    not less than five percent of the engineer's total estimate of the cost,  
3    and shall be made payable to the treasurer of the community improvement  
4    district as security that the bidder to whom the contract may be awarded  
5    will enter into a contract to build the improvements in accordance with  
6    the notice to contractors and give bond in the sum named in such notice  
7    for the construction of such improvements as the notice required. Checks  
8    or bonds accompanying bids not accepted shall be returned to the bidders.  
9    The work provided for in this section shall be done under written  
10   contract with the lowest responsible bidder on the material selected  
11   after the bids are opened and in accordance with the requirements of the  
12   plans and specifications. The board of trustees or the administrator may  
13   reject any or all bids received and advertise for new bids in accordance  
14   with this section.

15       Sec. 29. If the contractor has furnished the community improvement  
16   district all required records and reports, the community improvement  
17   district shall pay the contractor interest at the rate specified in  
18   section 39-1349, as such rate may from time to time be adjusted by the  
19   Legislature, on any contract amount retained and the final payment due  
20   the contractor beginning twenty days after completion of the work covered  
21   by the contract under section 28 of this act. The contractor shall notify  
22   the community improvement district in writing that the work has been  
23   completed and the community improvement district, within twenty days  
24   after receipt of such notice, shall give written notice to the contractor  
25   of any objections by the community improvement district to acceptance of  
26   the work.

27       Sec. 30. (1) After the completion of any work or purchase, the  
28   engineer shall file with the clerk of the community improvement district,  
29   and the clerk of the city or village, a certificate of acceptance. Such  
30   work or purchase shall be considered accepted only after approval by the  
31   city or village, and then by the board of trustees or the administrator

1 by resolution.

2 (2) Upon approval of the certificate of acceptance, if the board of  
3 trustees determines special assessments are to be levied, the board of  
4 trustees or administrator shall require the engineer to make a complete  
5 statement of all the costs of any such improvements, a plat of the  
6 property in the community improvement district, and a schedule of the  
7 amount proposed to be assessed against each separate piece of property in  
8 such community improvement district. The statement, plat, and schedule  
9 shall be filed with the clerk of the community improvement district  
10 within sixty days after the date of acceptance.

11 (3) The board of trustees or administrator shall set a time and  
12 place for a hearing on the proposed assessments as provided in subsection  
13 (6) of this section, then order the clerk of the community improvement  
14 district to give notice of such hearing and that such statement, plat,  
15 and schedules are on file in his or her office and that all objections  
16 thereto or to prior proceedings on account of errors, irregularities, or  
17 inequalities not made in writing and filed with the clerk of the  
18 community improvement district within twenty days after the first  
19 publication of such notice shall be deemed to have been waived. Such  
20 notice shall be given by publication the same day each week two  
21 consecutive weeks in a newspaper of general circulation published in the  
22 city or village where the community improvement district was organized.  
23 Such notice shall state the time and place where any objections, filed as  
24 provided in this section, shall be considered by the board of trustees or  
25 administrator.

26 (4) The cost of such improvements in the community improvement  
27 district shall be levied as special assessments to the extent of special  
28 benefits to the property. The complete statement of costs and the  
29 schedule of proposed special assessments for such improvements shall be  
30 given to the city or village where such community improvement district is  
31 located within seven days after the first publication of notice of

1 statement, plat, and schedules. The city or village shall have the right  
2 to be heard, and shall have the right of appeal from a final  
3 determination by the board of trustees or administrator against  
4 objections which such city or village has filed.

5 (5) Notice of the proposed special assessments for such improvements  
6 against each separate piece of property shall be given to each owner of  
7 record thereof within five days after the first publication of notice of  
8 statement, plat, and schedules and, within five days after the first  
9 publication of such notice, a copy thereof, along with statements of  
10 costs and schedules of proposed special assessments, shall be given to  
11 each person or company who, pursuant to written contract with the  
12 community improvement district, has acted as underwriter or municipal  
13 advisor for the community improvement district in connection with the  
14 sale or placement of warrants or bonds issued by the community  
15 improvement district. Each owner shall have the right to be heard and  
16 shall have the right of appeal from the final determination made by the  
17 board of trustees or administrator.

18 (6) The hearing on the proposed assessment shall be held by the  
19 board of trustees or the administrator sitting as a board of adjustment  
20 and equalization at the time and place specified in such notice and not  
21 less than twenty days nor more than thirty days after the date of the  
22 first publication, unless such session be adjourned, with provisions for  
23 proper notice of such adjournment. At such meeting, the proposed  
24 assessments shall be adjusted and equalized with reference to benefits  
25 resulting from the improvement and shall not exceed such benefits.

26 Sec. 31. Any person or any city or village aggrieved may appeal to  
27 the district court by filing a petition within twenty days after the  
28 final determination under section 30 of this act. The court shall hear  
29 and determine the appeal in a summary manner as in equity, without a  
30 jury, and shall increase or reduce the special assessments as necessary  
31 to ensure that the special assessments are in the full amount of the

1    special benefits and that the apportionment of benefits is equitable.

2    Sec. 32. (1) After the equalization of such special assessments as  
3    required by the Community Improvement District Act, such special  
4    assessments shall be levied by the board of trustees or the administrator  
5    upon all lots or parcels of ground within the community improvement  
6    district which are benefited by reason of such improvement, such levy to  
7    be made within six months after acceptance of the improvement by the  
8    board of trustees or the administrator. Failure to levy assessments  
9    within such six-month period shall not invalidate assessments made after  
10   the six-month period. Such special assessments may be reviewed, if for  
11   any reason the levy thereof is void or not enforceable. Such levy shall  
12   be enforced as other special assessments and any payments thereof under  
13   previous levies shall be credited to the person or property making the  
14   same. Not less than eleven and not more than twenty days after the  
15   levying of any special assessment, the clerk of the community improvement  
16   district shall certify such levy to the county treasurer and county clerk  
17   of the county.

18    (2) If a notice of appeal from such levy has been filed with the  
19   clerk of the community improvement district, he or she shall note on the  
20   certificate of levy that an appeal has been commenced and that the  
21   amounts of the assessments are subject to redetermination pursuant to the  
22   appeal. All receipts given by the county treasurer for special  
23   assessments as to which an appeal is pending shall show thereon that the  
24   special assessment amount is subject to redetermination by the appeal.  
25   Upon termination of any appeal, the clerk of the community improvement  
26   district shall so certify to the county clerk and county treasurer. All  
27   assessments made for such purposes shall be collected in the same manner  
28   as general taxes and shall be subject to the same penalties or may be  
29   collected pursuant to section 77-1917.01.

30    Sec. 33. (1) The board of trustees or the administrator shall not  
31   cause the following property to be assessed for any of the improvements

1   provided for in the Community Improvement District Act: (a) Property by  
2   law not assessable, (b) property not included within the area defined in  
3   the preliminary resolution, and (c) property not benefited.

4       (2) The exemption in subsection (1) of this section does not apply  
5   if the exempt property has been specially benefited by the improvements.  
6   In such cases, the owner of such property shall pay the community  
7   improvement district a sum equivalent to the amount the property has been  
8   specially benefited, which amount may be recovered by the community  
9   improvement district in an action against the property owner. If the  
10   parties do not agree as to the amount of the special benefits, the amount  
11   may be determined by the district court in an action brought by the  
12   community improvement district for such purpose.

13       (3) The board of trustees or the administrator may find that any  
14   part or all of such improvements made are of general benefit to the  
15   community improvement district, and the board or administrator may levy  
16   special assessments on all lots, parcels, or pieces of real estate  
17   specially benefited to the extent of the special benefits to such  
18   property. The cost of such improvements shall be paid from the  
19   assessments levied against all the property in the community improvement  
20   district, in the manner provided by section 36 of this act, or may be  
21   paid from unappropriated money in its general fund. The cost of the  
22   improvements shall draw interest at the rate of six percent per annum  
23   from the date of acceptance thereof by the board or administrator until  
24   warrants are issued for, or payment is otherwise provided, in payment of  
25   the contract price.

26       Sec. 34. All special assessments provided for in section 32 of this  
27   act shall become due in fifty days after the date of the levy and may be  
28   paid within that time without interest, but if not so paid they shall  
29   bear interest thereafter on a per annum basis until delinquent at the  
30   greater of (1) the rate of interest accruing on warrants registered  
31   against such community improvement district sixty days prior to the

1   actual levy of the special assessments or (2) the average rate of  
2   interest accruing on the warrants issued to pay for the improvements for  
3   which the special assessments are to be levied adjusted to the next  
4   greater one-half percent. Such assessments shall become delinquent in  
5   equal annual installments over such periods of years, not exceeding  
6   twenty, as the board of trustees or the administrator may determine at  
7   the time of making the levy. Delinquent installments shall bear interest  
8   at the rate of two percent per annum above the rate set by the community  
9   improvement district on such installments before delinquency, except that  
10   no such rate shall exceed the rate specified in section 45-104.01, as  
11   such rate may from time to time be adjusted by the Legislature. If three  
12   or more installments shall be delinquent, the board of trustees or the  
13   administrator may declare all of the remaining installments to be at once  
14   delinquent and such installments declared delinquent shall bear interest  
15   at the rate specified in section 45-104.01, as such rate may from time to  
16   time be adjusted by the Legislature, until paid and may be collected the  
17   same as other delinquent installments may be collected.

18       **Sec. 35.**    All special assessments provided by the Community  
19   Improvement District Act and all connection charges collected shall, when  
20   levied, constitute a sinking fund for the purpose of paying the cost of  
21   the improvements provided for in the Community Improvement District Act  
22   with allowable interest thereon and shall be solely and strictly applied  
23   to such purpose to the extent required. Any excess thereof may be by the  
24   board or the administrator, after fully discharging the purposes for  
25   which levied, transferred to such other fund or funds as the board of  
26   trustees or the administrator may deem advisable.

27       **Sec. 36.**    (1) For the purpose of paying the cost of public  
28   infrastructure improvements and other corporate purposes as provided for  
29   in the Community Improvement District Act, the board of trustees or the  
30   administrator shall have the power to issue negotiable bonds of any such  
31   community improvement district, to be called community improvement

1   district bonds, payable in not to exceed thirty years, and payable from  
2   the maximum levy approved in the articles of association of the community  
3   improvement district and other available funds. Each issue of bonds shall  
4   mature or be subject to mandatory redemption so that the first principal  
5   repayment is made not more than five years after the date of issuance and  
6   so that at least twenty percent of the community improvement district's  
7   bonds then outstanding shall be repaid within ten years after the date of  
8   issuance. Such bonds shall bear interest payable annually or  
9   semiannually. Such bonds may either be sold by the community improvement  
10   district or delivered to the contractor in payment for the work but in  
11   either case for not less than their par value. For the purpose of making  
12   partial payments as the work progresses, warrants may be issued by the  
13   board of trustees or the administrator upon certificates of the engineer  
14   in charge showing the amount of work completed and materials necessarily  
15   purchased and delivered for the orderly and proper continuation of the  
16   project, in a sum not to exceed ninety-five percent of the cost thereof.

17       (2)(a) Warrants issued for capital outlays of the community  
18   improvement district shall become due and payable not later than five  
19   years from the date of issuance, except that such warrants need not be  
20   retired on such date or within such five-year period and shall not be in  
21   default if the district court of the county determines, upon application  
22   by the community improvement district, that the community improvement  
23   district does not have the funds to retire such warrants and either (i)  
24   the community improvement district is unable to sell its bonds in an  
25   amount sufficient to retire such warrants or (ii) an unreasonably high  
26   tax levy, as compared to the levy on other similar property in the county  
27   that is also located within a community improvement district, would be  
28   required in order to cover the debt service requirements on bonds issued  
29   to retire such warrants. Warrants issued to pay interest on capital  
30   outlay warrants shall become due and payable in the same time as capital  
31   outlay warrants.

1       (b) The community improvement district may file the application with  
2       the district court either before or within ninety days after the due date  
3       of the warrants, and no warrant for which an extension application has  
4       been made to the district court and a hearing date set by the court shall  
5       be in default while such application is pending before the court. Notice  
6       of the filing of such application and the time and place of the hearing  
7       thereon shall be published in a newspaper of general circulation in the  
8       city or village the same day each week for three consecutive weeks.  
9       Within five days after the first publication of such notice, the  
10      community improvement district shall cause to be mailed, by United States  
11      certified mail, a copy of such notice to each holder of warrants covered  
12      by the application whose name and post office address are known to the  
13      community improvement district. Prior to the hearing, proof of such  
14      mailing shall be made by affidavit of a trustee of the community  
15      improvement district, the administrator, or the community improvement  
16      district's attorney that such mailing was made and further that the  
17      community improvement district, its trustees or administrator, and its  
18      attorney, after diligent investigation and inquiry, were unable to  
19      ascertain and do not know the name and post office address of any holder  
20      of such warrants other than those to whom notice has been mailed in  
21      writing or who have waived notice in writing or entered an appearance in  
22      the proceeding.

23       (c) Upon making its determination, the district court may make such  
24      orders concerning retirement of the warrants as it determines proper  
25      under the circumstances of the community improvement district, including  
26      ordering an increase in the tax levy of the community improvement  
27      district to provide funds for warrant redemption, except that no court-  
28      ordered tax levy for redemption of warrants shall cause the total tax  
29      levy of the community improvement district to be unreasonably high as  
30      compared with the tax levy of other similar property in the county that  
31      is also located within a community improvement district. Such warrants

1   shall draw interest, at such rate as fixed by the board of trustees or  
2   the administrator and endorsed on the warrants, from the date of  
3   presentation for payment and shall be redeemed and paid from the proceeds  
4   of special assessments or from the sale of the bonds issued and sold as  
5   provided in this section or from any other funds available for that  
6   purpose. Bonds to redeem such warrants shall be issued as soon as  
7   economically feasible, and to the extent warrants are not redeemed from  
8   bond proceeds or other funds available for such purpose, the community  
9   improvement district shall make a tax levy to provide a sinking fund for  
10   warrant redemption, except that such obligation shall not require a total  
11   tax levy by the community improvement district which shall be  
12   unreasonably high as compared with the tax levy on other similar property  
13   in the county that is also located within a community improvement  
14   district. The board of trustees or the administrator shall pay to the  
15   contractor interest at the rate specified in section 39-1349, as such  
16   rate may from time to time be adjusted by the Legislature, on the amounts  
17   due on partial and final payments, beginning thirty days after the  
18   certification of the amounts due by the engineer in charge and approval  
19   by the board of trustees or the administrator and running until the date  
20   that the warrant is tendered to the contractor.

21       (d) A default on the bonds or warrants of a community improvement  
22       district shall not constitute a debt or obligation of the city or village  
23       where such community improvement district is located, the county, or the  
24       state.

25       (3) Warrants issued for operation and maintenance expenses of the  
26       community improvement district shall be issued not later than sixty days  
27       following the date upon which the community improvement district is in  
28       receipt of a bill for the amount of operation or maintenance expenses  
29       owed, and such warrants shall become due and payable not later than three  
30       years from the date of issuance. If a warrant for operation or  
31       maintenance expenses is not issued within such sixty-day period, the

1   amount owed by the community improvement district shall bear interest  
2   from the sixty-first day until the date upon which the warrant is issued  
3   at a rate equivalent to one and one-half times the rate specified in  
4   subsection (2) of section 45-104.02. The community improvement district  
5   shall agree to pay annual or semiannual interest on all capital outlay  
6   warrants issued by the community improvement district and shall issue  
7   warrants to pay such interest or shall issue its warrants in return for  
8   cash to pay such interest. Warrant interest not paid when due for lack of  
9   funds shall be registered, bear interest, and be paid the same as is  
10   provided in section 10-209 for bond coupons.

11       (4)   The community improvement district may, if determined  
12   appropriate by the board of trustees or the administrator, pay fees to  
13   attorneys, municipal advisors, underwriters, and other professionals in  
14   connection with the placement and registration of ownership of warrants  
15   issued by the community improvement district.

16       (5)   The board of trustees or the administrator may levy special  
17   assessments on all lots, parcels, or pieces of real estate benefited by  
18   the improvement to the extent of the benefits to such property. The  
19   special assessments when collected shall be set aside and constitute a  
20   sinking fund for the payment of the interest and principal of such bonds,  
21   warrants, and other obligations of the community improvement district.

22       (6)   In addition to the special assessments provided for in this  
23   section, there shall be levied annually a tax upon the taxable value of  
24   all the taxable property in such community improvement district which,  
25   together with such sinking fund derived from special assessments, shall  
26   be sufficient to meet payments of interest and principal on all bonds as  
27   such become due, subject to the overall limit on the tax levy rate of  
28   such community improvement district established upon formation of such  
29   community improvement district. Such tax levy shall be known as the  
30   community improvement district bond tax levy and shall be paid annually.

31       (7)(a)   The board of trustees of any community improvement district

1 may provide for the publication of any resolution or other proceeding  
2 adopted by it pursuant to the Community Improvement District Act in a  
3 newspaper of general circulation published in the city or village where  
4 the community improvement district is located. In the case of a  
5 resolution or other proceeding providing for the issuance of bonds,  
6 warrants, or other obligations, pursuant to the Community Improvement  
7 District Act, the board of trustees or clerk of such community  
8 improvement district may, either before or after the adoption of such  
9 resolution or resolutions or other proceeding, in lieu of publishing the  
10 entire resolution or resolutions or other proceeding, publish a notice of  
11 intention to issue bonds, warrants, or other obligations under the  
12 Community Improvement District Act, titled to indicate such intention,  
13 containing:

14       (i) The name of the community improvement district;  
15       (ii) The estimated principal amount of bonds, warrants, or other  
16 obligations proposed to be issued and the timeframe when such issuance or  
17 issuances are expected to occur;  
18       (iii) The proposed or estimated principal maturity schedule or term  
19 for such bonds, warrants, or other obligations;  
20       (iv) The maximum rate of interest payable on any maturity of such  
21 bonds, warrants, or other obligations; and  
22       (v) The times and place where a copy of the form of resolution or  
23 other proceeding providing for the issuance of the bonds, warrants, or  
24 other obligations may be examined, which shall be located in the city or  
25 village where the community improvement district is located or in the  
26 office of the county clerk in the county where such community improvement  
27 district is located, for a period of at least thirty days after the  
28 publication of such notice. In the case of a notice regarding issuance of  
29 warrants, the notice may include warrants expected to be approved by  
30 multiple future resolutions or other proceedings and the form of  
31 resolution or other proceedings may be general forms for such issuance.

1       (b) For a period of thirty days after such publication, any  
2 interested person shall have the right to contest (i) the legality and  
3 validity of each and all of the proceedings for the organization of such  
4 community improvement district under the Community Improvement District  
5 Act, from and including the petition for the organization of the  
6 community improvement district, and all other proceedings which may  
7 affect the legality or validity of the bonds, warrants, or other  
8 obligations and the order of the sale and the sale thereof, (ii) any  
9 provisions made for the security and payment of such bonds, warrants, or  
10 other obligations, or (iii) any contract of purchase, sale, or lease  
11 relating to the issuance of such bonds, warrants, or other obligations.  
12 After such time no one shall have any cause of action to contest the  
13 regularity, formality, or legality thereof for any cause whatsoever.

14       **Sec. 37.** (1) The community improvement district may be enlarged and  
15 additional territory annexed to the community improvement district.  
16 Initiation of any such enlargement shall be by petition filed with the  
17 clerk of the community improvement district, signed by persons owning not  
18 less than fifty percent of the area to be annexed. Upon approval by the  
19 board of trustees of such community improvement district, the clerk of  
20 the community improvement district shall file (a) an application for such  
21 annexation with the city or village clerk with a request that the  
22 annexation be approved, all in the same manner as approval of the initial  
23 articles of association of such community improvement district pursuant  
24 to the Community Improvement District Act and (b) notify the county  
25 clerk, election commissioner, and register of deeds of each county or  
26 counties in which the community improvement district is located of the  
27 proposed annexation. The city or village clerk shall process any such  
28 application in the same manner as an initial application for approval of  
29 the articles of association for such community improvement district and  
30 shall schedule a hearing, publish notices, and mail notices to any owner  
31 of property in the area proposed to be annexed who did not sign the

1 petition for annexation. The city council or village board of trustees  
2 may approve the proposed amendment by ordinance in a similar manner to  
3 the initial articles of association as provided in the Community  
4 Improvement District Act.

5 (2) All property, from and after annexation to the community  
6 improvement district as provided in subsection (1) of this section, shall  
7 be subject to all taxes and other burdens thereafter levied by the  
8 community improvement district, regardless of when the obligation for  
9 which the taxes or assessments are levied was incurred.

10 **Sec. 38.** (1) Whenever a majority of the board of trustees or the  
11 administrator of any community improvement district organized under the  
12 Community Improvement District Act desires that the community improvement  
13 district shall be wholly dissolved, the trustees or administrator shall  
14 first propose a resolution declaring the advisability of such dissolution  
15 and setting out verbatim the terms and conditions thereof, and also  
16 setting out the time and place when the board of trustees or  
17 administrator shall meet to consider the adoption of such resolution.  
18 Notice of the time and place when the resolution shall be set for  
19 consideration shall be delivered to the city or village clerk and the  
20 county clerk, election commissioner, and register of deeds of each county  
21 or counties in which the community improvement district is located at  
22 least forty-five days prior to such date. Notice of the time and place  
23 when the resolution shall be set for consideration shall be published the  
24 same day each week for two consecutive weeks in a newspaper of general  
25 circulation published in the city or village where the community  
26 improvement district was organized, which publication shall contain the  
27 entire wording of the proposed resolution. The trustees or administrator  
28 shall mail a copy of such proposed resolution to any city or village in  
29 which any part of the community improvement district is located within  
30 five days after the date of first publication of the resolution. The last  
31 publication shall be not less than five days nor more than two weeks

1 prior to the time set for hearing on objections to the passage of the  
2 resolution, at which hearing the owners of property within the community  
3 improvement district, or any city or village in which any part of the  
4 community improvement district is located, may appear and make objections  
5 to the proposed resolution.

6 (2) If (a) a petition opposing the proposed resolution of  
7 dissolution is signed by property owners representing a majority of the  
8 area of real estate within the community improvement district or (b) a  
9 resolution is adopted by the city council or village board of trustees  
10 opposing such dissolution and either is presented to the board of  
11 trustees or the administrator on or prior to the hearing date, then the  
12 board of trustees or the administrator shall not adopt such resolution.

13 (3) If the owners representing a majority of the area of real estate  
14 within the community improvement district fail to sign and present to the  
15 board or to the administrator, on or prior to the hearing date, a written  
16 petition opposing the proposed resolution of dissolution, or if a  
17 resolution opposing such dissolution is not adopted by the village board  
18 of trustees or city council, then a majority of the board of trustees or  
19 the administrator may pass the resolution and thereby adopt the proposed  
20 dissolution. After the board of trustees or the administrator has adopted  
21 such resolution of dissolution, the clerk of the community improvement  
22 district shall prepare and file a certified copy of the resolution of  
23 dissolution in the office of the city or village clerk where the original  
24 articles of association were filed and in the office of the Secretary of  
25 State.

26 (4) A proposed resolution of dissolution shall not be adopted if the  
27 community improvement district is obligated on any outstanding bonds,  
28 warrants, or other debts or obligations unless the holders of such bonds,  
29 warrants, or other debts or obligations shall all sign written consents  
30 to the dissolution prior to the adoption of the resolution of  
31 dissolution.

1       **Sec. 39.** (1) Whenever a majority of the respective boards of  
2       trustees or the administrators of two community improvement districts  
3       organized under the Community Improvement District Act, organized within  
4       the same city or village shall desire that one of the community  
5       improvement districts shall wholly merge into the other community  
6       improvement district, the trustees or administrators shall first propose  
7       a joint resolution declaring the advisability of such merger and setting  
8       out verbatim the terms and conditions thereof and specifying which  
9       community improvement district shall be the surviving community  
10      improvement district, and also setting out the time and place when the  
11      boards of trustees or administrators of the two community improvement  
12      districts shall meet to consider the adoption of such resolution. Notice  
13      of the time and place when the two community improvement districts shall  
14      meet shall be delivered to the city or village clerk and the county  
15      clerk, election commissioner, and register of deeds of each county or  
16      counties in which the community improvement district is located at least  
17      forty-five days prior to such date.

18       (2) The trustees or the administrators shall mail a copy of such  
19       proposed joint resolution to the city or village clerk within five days  
20       after the date of first publication of the published notice described in  
21       this section. Notice of the time and place when such resolution shall be  
22       set for consideration shall be published the same day each week for two  
23       consecutive weeks in a newspaper of general circulation published in the  
24       city or village where the community improvement districts were organized,  
25       which publication shall contain the entire wording of the proposed  
26       resolution. The last publication shall be not less than five days nor  
27       more than two weeks prior to the time set for hearing on objections to  
28       the passage of the resolution, at which hearing the owners of property  
29       within either of the community improvement districts or the holders of  
30       any unpaid bonds, warrants, or other obligations of either community  
31       improvement district, or any city or village if any part of such

1    community improvement district or community improvement districts lies  
2    within the area of its zoning jurisdiction, may appear and make  
3    objections to the proposed resolution.

4        (3) If (a) a petition opposing the proposed resolution of merger is  
5    signed by (i) property owners representing a majority of the area of real  
6    estate within either community improvement district or (ii) any holder of  
7    any unpaid bonds, warrants, or other obligations of either community  
8    improvement district or (b) a resolution is adopted by the city council  
9    or village board of trustees opposing such resolution of merger and if  
10   any such petition or resolution is presented to the boards of trustees or  
11   administrators on or prior to the hearing date, then the boards of  
12   trustees or administrators shall not adopt such resolution.

13       (4) If a written petition or resolution opposing the proposed  
14   resolution of merger is not filed, then a majority of the boards of  
15   trustees or administrators of both community improvement districts may  
16   pass the resolution and thereby adopt the proposed merger. Upon adoption  
17   of the proposed resolution by the boards of trustees or administrators of  
18   both community improvement districts, the clerk of the community  
19   improvement district or the administrator from both community improvement  
20   districts shall prepare and file a certified copy of such resolution of  
21   merger in the office of the city or village clerk where the original  
22   articles of association of the community improvement districts were filed  
23   and in the office of the Secretary of State, and thereupon the surviving  
24   community improvement district shall succeed to and become vested with  
25   full title to all the property and property rights of every kind,  
26   contracts, obligations, and choses in action of every kind held by or  
27   belonging to the nonsurviving community improvement district, and the  
28   surviving community improvement district shall also be liable for and  
29   recognize, assume, and carry out all valid contracts and obligations of  
30   the nonsurviving community improvement district including all outstanding  
31   warrants, bonds, or other indebtedness. All taxes, assessments, and

1 demands of every kind due or owing to the nonsurviving community  
2 improvement district shall be paid to and collected by the surviving  
3 community improvement district.

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

21 Sec. 40. (1) Whenever a majority of the board of trustees or the  
22 administrator of any community improvement district organized under the  
23 Community Improvement District Act, desires that any property within the  
24 community improvement district be detached from the community improvement  
25 district, the trustees or the administrator shall first propose a  
26 resolution declaring the advisability of such detachment and setting out  
27 verbatim the terms and conditions thereof and also setting out the time  
28 and place when the board of trustees or the administrator will meet to  
29 consider the adoption of such resolution. Notice of the time and place  
30 when the resolution shall be set for consideration shall be delivered to  
31 the city or village clerk and the county clerk, election commissioner,

1 and register of deeds of each county or counties in which the community  
2 improvement district is located at least forty-five days prior to such  
3 date. Notice of the time and place when the resolution shall be set for  
4 consideration shall be published the same day each week for two  
5 consecutive weeks in a newspaper of general circulation published in the  
6 city or village where the community improvement district was organized,  
7 which publication shall contain the entire wording of the proposed  
8 resolution. The trustees or administrator shall mail a copy of such  
9 proposed resolution to the city or village clerk of the city or village  
10 in which any part of the community improvement district is located within  
11 five days after the date of first publication of the resolution. The last  
12 publication shall be not less than five days nor more than two weeks  
13 prior to the time set for hearing on objections to the passage of the  
14 resolution, at which hearing the owners of property within the community  
15 improvement district, or any city or village in which any part of the  
16 community improvement district is located, may appear and make objections  
17 to the proposed resolution.

18 (2) If (a) a petition opposing the proposed resolution of detachment  
19 is signed by property owners representing a majority of the area of real  
20 estate within the community improvement district or (b) a resolution is  
21 adopted by the city council or village board of trustees opposing the  
22 proposed resolution of detachment and such petition or resolution is  
23 presented to the board of trustees or to the administrator on or prior to  
24 the hearing date, then the board of trustees or the administrator shall  
25 not adopt such resolution.

26 (3) If the owners representing a majority of the area of real estate  
27 within the community improvement district fail to sign and present to the  
28 board of trustees or the administrator, on or prior to the hearing date,  
29 a written petition opposing the proposed resolution of detachment, or if  
30 the city council or village board of trustees fail to adopt a resolution  
31 opposing such resolution of detachment, then a majority of the board of

1   trustees or the administrator may pass the resolution and thereby adopt  
2   the proposed detachment. After the board of trustees or the administrator  
3   has adopted such resolution of detachment, the clerk of the community  
4   improvement district shall prepare and file a certified copy of the  
5   resolution of detachment in the office of the city clerk where the  
6   original articles of association were filed and in the office of the  
7   Secretary of State, and thereupon the area detached shall become excluded  
8   and detached from the boundaries of the community improvement district.

9       (4) A resolution of detachment proposed under this section shall not  
10   be adopted if the community improvement district is indebted on any  
11   outstanding bonds or warrants of the community improvement district  
12   unless the holders of such bonds and warrants all sign written consents  
13   to the detachment prior to the adoption of the resolution of detachment.

14       **Sec. 41.**   When any land is a part of two community improvement  
15   districts and the owners of such land desire that it be a part of only  
16   one community improvement district, such owners shall file their request  
17   with the trustees or the administrator of each community improvement  
18   district. The trustees or the administrator of the community improvement  
19   districts shall meet jointly and develop an agreement for the detachment  
20   of the land from one of the community improvement districts and the  
21   adjustment of indebtedness. If the trustees or administrators are unable  
22   to reach an agreement, they shall file a petition in the district court  
23   of the county in which such land is located and the court shall have  
24   jurisdiction to detach the land and adjust the indebtedness. The clerk of  
25   the community improvement district shall notify the clerk of each city or  
26   village in which the community improvement districts are located and the  
27   county clerk, election commissioner, and register of deeds of each county  
28   or counties in which the community improvement districts are located of  
29   the agreement for detachment or the filing of the petition in district  
30   court.

31       **Sec. 42.**   A petition may be filed with the district court of the

1 county in which a majority of the real property of a community  
2 improvement district is located for referral of the community improvement  
3 district to the Auditor of Public Accounts for the appointment of an  
4 administrator of the community improvement district and suspension of the  
5 authority of the board of trustees or other relief as provided by  
6 sections 43 to 51 of this act. Such petition may be filed by: (1) A  
7 majority of the board of trustees of the community improvement district;  
8 (2) the holders of more than fifty percent in principal amount of the  
9 outstanding bonds of the community improvement district; (3) the holders  
10 of more than fifty percent in principal amount of outstanding  
11 construction fund warrants of the community improvement district; (4) a  
12 majority of the lessees permitted to vote pursuant to section 14 of this  
13 act who are residents of the community improvement district and resident  
14 property owners of the community improvement district; (5) the owners of  
15 more than one-half of the real property within the community improvement  
16 district; or (6) a city or village in which the community improvement  
17 district is located and which exercises zoning jurisdiction over the  
18 community improvement district. A petition filed by a city or village  
19 pursuant to subdivision (6) of this section may be filed only on grounds  
20 that the community improvement district has issued outstanding bonds or  
21 construction fund warrants which have been in default for more than  
22 ninety days or the community improvement district lacks a functioning  
23 board of trustees.

24 Sec. 43. The court shall fix the time for the hearing of the  
25 petition pursuant to section 42 of this act and shall order the clerk of  
26 the court to give and publish a notice of the filing of the petition. The  
27 notice shall be given by publication the same day of the week each week  
28 for three consecutive weeks. Within five days after the first publication  
29 of such notice, the petitioner shall cause to be mailed by United States  
30 mail a copy of such notice to each holder of outstanding warrants and  
31 bonds, to each member of the board of trustees if the board has not

1 petitioned for the appointment, to the city or village in which the  
2 community improvement district is located, and to each person whose  
3 property ownership is of record on the records of the register of deeds  
4 at least thirty days and not more than forty days prior to the mailing of  
5 a notice. Notice shall be sent to each bond and warrant holder, trustee,  
6 and property owner whose name and post office address are known after  
7 diligent investigation and inquiry. The notice shall state the time and  
8 place fixed for the hearing of the petition and the prayer of the  
9 petition, and that any person with an interest in the community  
10 improvement district may, on or before the day fixed for the hearing of  
11 the petition, move to join in, dismiss, or answer the petition. The  
12 petition may be referred to and described in the notice as the petition  
13 of ..... (giving name of petitioner) praying for the referral  
14 of the community improvement district to the Auditor of Public Accounts  
15 for the appointment of an administrator of the community improvement  
16 district and the suspension of the authority of the board of trustees of  
17 such community improvement district to exercise the powers granted the  
18 board of trustees under the Community Improvement District Act during the  
19 period of such administrator's appointment.

20 Sec. 44. The petition shall state that the community improvement  
21 district (1) has been in default for more than ninety days on its issued  
22 and outstanding bonds or construction fund warrants of the community  
23 improvement district, (2) has levied a tax upon the taxable value of the  
24 taxable property in the community improvement district which, along with  
25 the sinking fund derived from special assessments, has not been  
26 sufficient to meet payments of interest and principal on the issued and  
27 outstanding bonds of the community improvement district, (3) has failed  
28 to levy special assessments on all lots, parcels, or pieces of real  
29 property within the terms provided in section 32 of this act, or (4)  
30 lacks a functioning board of trustees. The petition shall pray for  
31 referral of the community improvement district to the Auditor of Public

1   Accounts for the appointment of an administrator for the community  
2   improvement district and for an order suspending the authority of the  
3   board of trustees of the community improvement district to exercise the  
4   powers granted to such board pursuant to the Community Improvement  
5   District Act during the period of such administrator's appointment or for  
6   such other relief as the court may determine appropriate.

7       **Sec. 45.** Any person with an interest in the community improvement  
8   district may join in the petition, move to dismiss the petition, or file  
9   an answer to such petition. The rules of civil procedure relating to  
10   motions and answers to a petition shall be applicable to motions and  
11   answers to the petition in such special proceedings. The persons filing  
12   motions to dismiss and answering the petition shall be the defendants to  
13   the special proceedings, and the persons filing the petition or joining  
14   in the petition shall be the plaintiffs. Every material statement of the  
15   petition not specially controverted by the answer shall, for the purpose  
16   of the special proceedings, be taken as true. Each person or party in  
17   interest failing to answer the petition shall be deemed to admit as true  
18   all the material statements of the petition. The rules of civil procedure  
19   relating to pleading and practice which are not inconsistent with the  
20   provisions of the Community Improvement District Act are applicable to  
21   the special proceedings in sections 42 to 47 of this act.

22       **Sec. 46.** Upon the hearing of the special proceedings pursuant to  
23   sections 42 to 47 of this act, the court shall, upon a finding that any  
24   of the statements in subdivisions (1) through (4) of section 44 of this  
25   act are true, that the petition has been properly filed and notice of the  
26   petition has been duly given and published for the time and in the manner  
27   prescribed in sections 42 to 47 of this act, and that it is in the best  
28   interest of the community improvement district, have the power and  
29   jurisdiction to issue an order which refers the community improvement  
30   district to the Auditor of Public Accounts for appointment by the auditor  
31   of an administrator from a list of not less than two names of persons

1 possessing real estate and financial expertise compiled by the court in  
2 the proceedings, and which provides for the suspension of the authority  
3 of the board of trustees of the community improvement district to  
4 exercise the powers granted such board under the Community Improvement  
5 District Act during the period of such administrator's appointment. In  
6 the alternative or as additional relief, the court may order such other  
7 relief as may be appropriate to cure the defects of the community  
8 improvement district, including, but not limited to, (1) appointment of  
9 trustees to serve until the next regular election, (2) calling a special  
10 election to elect trustees which shall be conducted in the same manner as  
11 other elections for trustees, and (3) directing the board of trustees to  
12 levy taxes or special assessments as required by the Community  
13 Improvement District Act. The cost of the special proceedings may be  
14 allowed and apportioned between the parties in the discretion of the  
15 court.

16 Sec. 47. Upon receipt of the order of the district court referring  
17 the community improvement district to the Auditor of Public Accounts for  
18 the appointment of an administrator, the auditor shall appoint an  
19 administrator with authority, including all authority of the board of  
20 trustees, chairperson, and clerk of the community improvement district,  
21 to direct the affairs of the community improvement district pursuant to  
22 the Community Improvement District Act unless the auditor shall determine  
23 upon good cause that the appointment of an administrator would not be in  
24 the best interests of the community improvement district. Within sixty  
25 days after receipt of such order of the district court, the auditor shall  
26 file with the court a certificate evidencing compliance with this section  
27 and if the auditor determines not to appoint an administrator, such  
28 certificate shall specify the grounds for the auditor's determination  
29 that the appointment would not be in the best interest of the community  
30 improvement district.

31 Sec. 48. Upon the issuance of a certificate of appointment by the

1    Auditor of Public Accounts to a designated community improvement district  
2    administrator, the authority of the board of trustees of the community  
3    improvement district to exercise the powers of the community improvement  
4    district conferred by the Community Improvement District Act shall be  
5    suspended. The administrator shall during the period of his or her  
6    appointment possess all of the powers of the board of trustees and shall  
7    possess exclusive authority to exercise the powers conferred in the  
8    Community Improvement District Act.

9        Sec. 49. The board of trustees or the administrator shall have the  
10      power to negotiate a scaling, a discounting, a reduction in interest  
11      rate, or any other compromise of any or all of the bonds, warrants, or  
12      other indebtedness of the community improvement district with the owners  
13      or holders of such indebtedness. In order to carry out any compromise  
14      agreements made, the board of trustees or the administrator shall have  
15      the power to issue new bonds or warrants which may be delivered to the  
16      holders or owners of the indebtedness being compromised or may be sold on  
17      such terms as the board of trustees or administrator shall determine to  
18      provide cash to carry out the compromise settlement. Before any new bonds  
19      or warrants are issued, the terms of the compromise settlement shall be  
20      approved by the district court for the county in which the community  
21      improvement district or the greater portion of the community improvement  
22      district is situated. Such review by the district court shall be limited  
23      to the legality and validity of the new bonds or warrants to be issued,  
24      and the decree of the district court determining the issuance of the new  
25      bonds or warrants to be legal and valid shall be conclusive against the  
26      community improvement district and all other persons having or claiming  
27      any interest in the community improvement district. Notwithstanding any  
28      other provision of law, the treasurer of the community improvement  
29      district shall disburse funds of the community improvement district in  
30      accordance with the compromise settlement approved by the district court.

31        Sec. 50. (1) The administrator may levy a separate tax upon the

1 taxable value of the taxable property in the community improvement  
2 district which shall be known as the administration tax and which shall  
3 be separately accounted for by the treasurer of the community improvement  
4 district. Such tax shall be paid annually. Such tax may be used to pay  
5 the fees and expenses of the administrator and his or her administration,  
6 including the cost of audit services, legal services, and financial  
7 advisory services ordered by the administrator.

8 (2) The administrator shall receive a minimum fee of five hundred  
9 dollars per month during the term of his or her appointment. The  
10 administrator shall also be entitled to reimbursement for his or her  
11 actual and necessary expenses upon presentation of an accounting of his  
12 or her expenses to the Auditor of Public Accounts. The monthly  
13 administrator's fee provided for in this subsection shall be subject to  
14 adjustment at any time during the term of the administrator's appointment  
15 by the Auditor of Public Accounts. The factors to be considered by the  
16 auditor in his or her determination to increase the administrator's fee  
17 shall include the nature and extent of the administrator's services, the  
18 complexity of the problems confronting the community improvement  
19 district, and the value of the services of the administrator to the  
20 community improvement district. The auditor shall also consider the cost  
21 of obtaining comparable services of the administrator in the private  
22 sector.

23 Sec. 51. The administrator shall serve at the pleasure of the  
24 Auditor of Public Accounts or until the district court shall terminate  
25 the authority of the auditor and the administrator. A petition for review  
26 by the court of the original order may be filed by any person with an  
27 interest in the community improvement district. The court shall have the  
28 power to terminate the authority of the Auditor of Public Accounts and  
29 the administrator upon its determination that none of the conditions set  
30 forth in section 44 of this act exist or it is in the best interest of  
31 the community improvement district that the authority of the

1     administrator be terminated. A termination of the authority of the  
2     Auditor of Public Accounts and the administrator shall reinstate the  
3     authority of the board of trustees pursuant to the Community Improvement  
4     District Act.

5       **Sec. 52. For purposes of sections 52 to 59 of this act:**

6        (1) Filing clerk means the election commissioner or county clerk of  
7     the county in which all or the largest portion of the land area  
8     comprising a community improvement district is located;

9        (2) Qualified property owning voter means a person entitled to vote  
10    as provided in section 14 of this act for all trustees of a community  
11    improvement district other than those which may be elected only by  
12    qualified resident voters; and

13      (3) Qualified resident voter means a person entitled to vote as  
14    provided in section 14 of this act for all trustees of a community  
15    improvement district.

16       **Sec. 53. (1) A trustee of a community improvement district may be**  
17    **removed from office by recall pursuant to sections 52 to 59 of this act.**  
18    **A petition for an election to recall a trustee shall be sufficient if it**  
19    **complies with the requirements of this section.**

20      (2) The signers of the petition shall be persons who were, on the  
21    date the initial petition papers are issued under subsection (7) of this  
22    section, eligible to vote in a community improvement district election as  
23    provided in section 14 of this act. A person's eligibility to sign a  
24    petition shall be the same as the person's eligibility to cast one or  
25    more votes at a community improvement district election under section 14  
26    of this act. Only one person shall be allowed to sign on behalf of joint  
27    owners of property in the community improvement district or on behalf of  
28    a public, private, or municipal corporation that owns property in the  
29    community improvement district. If the trustee whose recall is sought was  
30    elected by vote of resident owners only, then only resident owners shall  
31    be allowed to sign the petition. If the trustee whose recall is sought

1   was elected by vote of all owners of property, then all owners shall be  
2   allowed to sign the petition. For purposes of this section, resident  
3   owner means qualified resident voter and all owners means all qualified  
4   resident voters and all qualified property owning voters.

5       (3) The filing clerk shall assign to each signature a count equal to  
6   the number of votes that the signer was eligible to cast on the date he  
7   or she signed. The number of votes that a signer was eligible to cast  
8   shall be based on section 14 of this act. If the signature was made by or  
9   for an owner of more than one parcel of property, the signature made by  
10   or on behalf of such owner shall be assigned a count equal to the total  
11   number of votes which the owner was eligible to cast.

12       (4) The filing clerk shall total the count assigned to the  
13   signatures on the petition. The petition shall be sufficient if the total  
14   is at least equal to thirty-five percent of the highest number of votes  
15   that were cast for a candidate at the previous community improvement  
16   district election for the trustee positions in the same category as the  
17   trustee whose recall is sought by the petition. The categories of  
18   trustees shall be the same as provided in section 14 of this act.

19       (5) The signatures shall be affixed to petition papers and shall be  
20   considered part of the petition.

21       (6) The petition papers shall be procured from the filing clerk.  
22   Prior to the issuance of such petition papers, a recall petition filing  
23   form shall be signed and filed with the filing clerk by (a) at least one  
24   qualified resident voter of the district if the trustee whose recall is  
25   being sought was elected solely by qualified resident voters or (b) at  
26   least one qualified resident voter or qualified property owning voter if  
27   the trustee whose recall is being sought was elected by qualified  
28   resident voters and qualified property owning voters. Such voter or  
29   voters shall be deemed to be the principal circulator or circulators of  
30   the recall petition. The filing form shall state the name of the trustee  
31   sought to be removed and whether qualified property owning voters

1 participated in the election of the trustee and shall request that the  
2 filing clerk issue initial petition papers to the principal circulator  
3 for circulation. The filing clerk shall notify the principal circulator  
4 or circulators that the necessary signatures must be gathered within  
5 thirty days after the date of issuing the petitions.

6 (7) The filing clerk, upon issuing the initial petition papers or  
7 any subsequent petition papers, shall enter in a record, to be kept in  
8 his or her office, the name of the principal circulator or circulators to  
9 whom the papers were issued, the date of issuance, the number of papers  
10 issued, and whether qualified property owning voters may participate in  
11 signing the petitions. The filing clerk shall certify on the papers the  
12 name of the principal circulator or circulators to whom the papers were  
13 issued, the date they were issued, and whether qualified property owning  
14 voters may participate in signing the petitions. No petition paper shall  
15 be accepted as part of the petition unless it bears such certificate. The  
16 principal circulator or circulators who check out petitions from the  
17 filing clerk may distribute such petitions to persons who may act as  
18 circulators of such petitions.

19 Sec. 54. (1) The Secretary of State shall design the uniform  
20 petition papers to be distributed by all filing clerks for use in the  
21 recall of trustees of community improvement districts and shall keep a  
22 sufficient number of such blank petition papers on file for distribution  
23 to any filing clerk requesting recall petitions.

24 (2) Each petition paper presented to a qualified voter for his or  
25 her signature shall clearly indicate at the top (a) whether the trustee  
26 whose recall is being sought was elected solely by qualified resident  
27 voters, (b) whether the signatories must be qualified resident voters or  
28 may include qualified property owning voters, (c) that the signatories  
29 must support the holding of a recall election for the trustee, (d) the  
30 name of the individual sought to be recalled, and (e) a general statement  
31 of the reason or reasons for which recall is sought.

1       (3) Each petition paper shall contain a statement, entitled  
2 Instructions to Petition Circulators, prepared by the Secretary of State  
3 to assist circulators in understanding the provisions governing the  
4 petition process established by sections 52 to 59 of this act. The  
5 instructions shall include the following statement: No one circulating  
6 this petition paper in an attempt to gather signatures shall sign the  
7 circulator's affidavit unless each person who signed the petition paper  
8 did so in the presence of the circulator.

9       **Sec. 55.** (1) The principal circulator or circulators shall file, as  
10 one instrument, all petition papers comprising a recall petition for  
11 signature verification with the filing clerk within thirty days after the  
12 filing clerk issues the initial petition papers to the principal  
13 circulator or circulators as provided in section 53 of this act.

14       (2) Within fifteen days after the filing of the petition, the filing  
15 clerk shall ascertain whether or not the petition is signed by sufficient  
16 qualified resident voters and qualified property owning voters as  
17 provided in section 53 of this act. No new signatures may be added after  
18 the initial filing of the petition papers. No signatures may be removed  
19 unless the filing clerk receives an affidavit signed by the person  
20 requesting that his or her signature be removed before the petitions are  
21 filed with the filing clerk for signature verification.

22       (3) If the petition is found to be sufficient, the filing clerk  
23 shall attach to the petition a certificate showing the result of such  
24 examination. If the petition is found not to be sufficient, the filing  
25 clerk shall file the petition in his or her office without prejudice to  
26 the filing of a new petition for the same purpose.

27       **Sec. 56.** (1) If the recall petition is found to be sufficient, the  
28 filing clerk shall notify the trustee whose removal is sought and the  
29 board of trustees of the community improvement district that sufficient  
30 signatures have been gathered.

31       (2) If the trustee does not resign within five days after receiving

1    the notice, the filing clerk shall order an election to be held not less  
2    than forty-five days nor more than sixty days after the expiration of the  
3    five-day period, except that if an election for the board of trustees of  
4    the community improvement district is to be held within one hundred  
5    twenty days after the expiration of the five-day period, the filing clerk  
6    shall provide for the holding of the removal election at the time of such  
7    regular election. The recall election shall be conducted in the same  
8    manner as an election for members of the board of trustees as provided in  
9    section 14 of this act. After the filing clerk sets the date for the  
10   recall election, the recall election shall be held regardless of whether  
11   the trustee whose removal is sought resigns before the recall election is  
12   held.

13       **Sec. 57.**    The form of the official ballot at a recall election  
14   conducted pursuant to section 56 of this act shall conform to the  
15   requirements of this section. With respect to each trustee whose removal  
16   is sought, the question shall be submitted: Shall (name of trustee) be  
17   removed from the office of trustee? Immediately following each such  
18   question there shall be printed on the ballot the two responses: Yes and  
19   No. Immediately to the left of each response shall be placed a square or  
20   oval in which the voters qualified to vote for the trustee in a regular  
21   election may vote for one of the responses by making a cross or other  
22   clear, identifiable mark. The name of the trustee which shall appear on  
23   the ballot shall be the name of the trustee that appeared on the ballot  
24   of the previous election that included his or her name.

25       **Sec. 58.**    (1) If a majority of the votes cast at a recall election  
26   are against the removal of the trustee named on the ballot or the  
27   election results in a tie, the trustee shall continue in office for the  
28   remainder of his or her term.

29       (2) If a majority of the votes cast at a recall election are for the  
30   removal of the trustee named on the ballot, he or she shall, regardless  
31   of any technical defects in the recall petition, be deemed removed from

1    office unless a recount is ordered. If the trustee is deemed removed, the  
2    removal shall result in an immediate vacancy in the office from the date  
3    of the election. The vacancy shall be filled as provided in subsection  
4    (2) of section 14 of this act.

5    (3) If there are vacancies in the offices of a majority or more of  
6    the members of the board of trustees at one time due to the recall of  
7    such members, a special election to fill such vacancies shall be  
8    conducted as expeditiously as possible by the filing clerk in the manner  
9    specified in section 14 of this act.

10    (4) No trustee who is removed at a recall election or who resigns  
11    after the initiation of the recall process shall be appointed to fill the  
12    vacancy resulting from his or her removal or the removal of any other  
13    member of the same board of trustees during the remainder of his or her  
14    term of office.

15    **Sec. 59.**    No recall petition filing form shall be filed against a  
16    trustee under section 53 of this act within twelve months after a recall  
17    election has failed to remove him or her from office, within six months  
18    after the beginning of his or her term of office, or within six months  
19    prior to the incumbent filing deadline for the office.

20    **Sec. 60.**    Since an emergency exists, this act takes effect when  
21    passed and approved according to law.