

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 11, 2005 LB 401

improvement district elections and the right to vote in board of trustee elections as a resident of the district. The bill proposes to redefine the term "trust" for the purpose of permitting certain residents holding their property in trust to vote and to be elected to the board of trustees as bona fide residents. And the provisions would be applicable to all sanitary and improvement districts. A little bit of background. We all need to be aware that voting in SID elections is based upon property ownership, with owners of lots granted one vote for each platted lot, or one vote for each unplatted acre or portion thereof. And additionally, the statutes provide that a majority of the members of the board, three to five trustees, must be elected by resident owners at the election held eight years after the formation of the district. Only resident owners can vote for these three trustees, while all owners vote for the other two trustees. This change--and it was dated back to the early eighties--was adopted to provide residents with additional protection of their interests, which might differ from those of the developer. A recent review of the section at issue here, which is Section 31-735 by the Cass County clerk and the Cass County attorney revealed the presence of an absolute prohibition of any trust property being the source of a resident vote. This meant that several residents who had previously voted as residents were denied that opportunity because their property was owned by a family trust created for testamentary purposes, even though they were in fact actual residents of the property. To reflect the true situation, this bill redefines the term "trust" in Section 31-735, changing it from the current general term applicable to trusts of any form or nature, to the more specific irrevocable trust, in order to distinguish property...excuse me, and in order to distinguish property held in a family trust or trust created for a state purposes from all other forms of trust. Under the current form of the statute, bona fide residents of the property in the SID who would otherwise qualify as residents for the purpose of voting a resident trustee on the board of trustees are prohibited from doing so, because their property is held in the family trust. The change proposed would limit the prohibition on resident status only to property held in an irrec...irrevocable trust. Excuse me. With that, I would ask for the advancement...or, excuse me, the adoption of AM1038, and the advancement of