

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 592

Introduced by Cornett, 45

Read first time January 17, 2007

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to sanitary and improvement districts; to amend
2 section 31-766, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to annexation as prescribed;
4 and to repeal the original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 31-766, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 31-766 If only a part of the territory within any
4 sanitary and improvement district, any road improvement district,
5 or any fire protection district is annexed by a city or village,
6 the road improvement district or fire protection district acting
7 through its trustees or the sanitary and improvement district
8 acting through its trustees or administrator and the city or
9 village acting through its governing body may agree between
10 themselves as to the division of the assets, liabilities,
11 maintenance, or other obligations of the district for a change
12 in the boundaries of the district so as to exclude the portion
13 annexed by the city or village or may agree upon a merger of
14 the district with the city or village. The division of assets,
15 liabilities, maintenance, or other obligations of the district
16 shall be equitable, shall be proportionate to the valuation of
17 the portion of the district annexed and to the valuation of the
18 portion of the district remaining following annexation, and shall,
19 to the greatest extent feasible, reflect the actual impact of the
20 annexation on the ability of the district to perform its duties and
21 responsibilities within its new boundaries following annexation. In
22 the event a merger is agreed upon, the city or village shall have
23 all the rights, privileges, duties, and obligations as provided
24 in sections 31-763 to 31-766 when the city annexes the entire
25 territory within the district, and the trustees or administrator

1 shall be relieved of all further duties and liabilities and their
2 bonds exonerated as provided in section 31-764. No agreement
3 between the district and the city or village shall be effective
4 until submitted to and approved by the district court of the
5 county in which the major portion of the district is located. No
6 agreement shall be approved which may prejudice the rights of any
7 bondholder or creditor of the district or employee under contract
8 to the district. The court may authorize or direct amendments to
9 the agreement before approving the same. If the district and city
10 or village do not agree upon the proper adjustment of all matters
11 growing out of the annexation of a part of the territory located
12 within the district, the district, the annexing city or village,
13 any bondholder or creditor of the district, or any employee under
14 contract to the district may apply to the district court of the
15 county where the major portion of the district is located for an
16 adjustment of all matters growing out of or in any way connected
17 with the annexation of such territory, and after a hearing thereon
18 the court may enter an order or decree fixing the rights, duties,
19 and obligations of the parties, except that in entering such decree
20 or order the district court shall neither consider, nor allocate
21 to the annexing city or village, any of the then existing bonded
22 indebtedness of the district, and all real property located within
23 the annexed territory shall remain subject to the bond levy, if
24 any, of the district for such then existing bonded indebtedness to
25 the same extent as if such real property had not been annexed and

1 remained within the territory of the district. In every case such
2 decree or order shall require a change of the district boundaries
3 so as to exclude from the district that portion of the territory
4 of the district which has been annexed. Such change of boundaries
5 shall become effective on the date of entry of such decree. Only
6 the district and the city or village shall be necessary parties
7 to such an action. Any bondholder or creditor of the district
8 or any employee under contract to the district whose interests
9 may be adversely affected by the annexation may intervene in the
10 action pursuant to section 25-328. The decree when entered shall
11 be binding on the parties the same as though the parties had
12 voluntarily agreed thereto. Nothing contained in this section shall
13 authorize any district to levy any special assessments within the
14 annexed area after the effective date of annexation.

15 Sec. 2. Original section 31-766, Reissue Revised Statutes
16 of Nebraska, is repealed.