

AMENDMENTS TO LB 381

Introduced by Urban Affairs.

1           1. Strike the original sections and insert the following  
2 sections:

3           Section 1. Sections 1 to 18 of this act shall be known  
4 and may be cited as the Community Improvement District Act.

5           Sec. 2. For purposes of the Community Improvement  
6 District Act:

7           (1) Approval or approve, for purposes of elections  
8 pursuant to the act, means a simple majority of those qualified  
9 voters voting in the election;

10          (2) Assessed value means the assessed value of real  
11 property as reflected on the tax records as of the last completed  
12 assessment;

13          (3) Blighted area has the same meaning as in section  
14 18-2103;

15          (4) Board means if the district is a political  
16 subdivision, the board of directors of the district, or if the  
17 district is a nonprofit corporation, the board of directors of such  
18 corporation;

19          (5) District means a community improvement district  
20 established pursuant to the act;

21          (6) Election authority means the election commissioner or  
22 county clerk having jurisdiction over the majority of the area in  
23 which the boundaries of the district are located;

1           (7) Municipal clerk means the clerk of the municipality;

2           (8) Municipality means any city, village, or county of  
3 this state;

4           (9) Obligations means bonds, loans, debentures, notes,  
5 special certificates, or other evidences of indebtedness issued by  
6 a district to carry out any of its powers, duties, or purposes or  
7 to refund outstanding obligations;

8           (10) Owner means, for real property, the individual or  
9 individuals or entity or entities who own a fee interest in real  
10 property that is located within the district or their legally  
11 authorized representatives; for business organizations and other  
12 entities, the owner shall be deemed to be the individual or  
13 individuals who are legally authorized to represent the entity in  
14 regard to the district;

15           (11) Per capita means one head count applied to each  
16 individual, entity, or group of individuals or entities having  
17 fee ownership of real property within the district whether such  
18 individual, entity, or group owns one or more parcels of real  
19 property in the district as joint tenants or tenants in common,  
20 except that with respect to a condominium, per capita means one  
21 head count applied to the applicable unit owners' association and  
22 not to each unit owner;

23           (12) Petition means a petition to establish a district as  
24 it may be amended in accordance with section 4 of this act;

25           (13) Qualified voters means:

26           (a) Registered voters who reside within the district; or

27           (b) If no registered voters reside in the district, the

1 owner or owners of one or more parcels of real property located  
2 within the district per the real property records of the register  
3 of deeds of the county where the district is located as of the  
4 thirtieth day prior to the date of the applicable election;

5 (14) Registered voters means persons who reside within  
6 the district and who are qualified and registered to vote pursuant  
7 to the records of the election authority as of the thirtieth day  
8 prior to the date of the applicable election; and

9 (15) Substandard areas has the same meaning as in section  
10 18-2103.

11 Sec. 3. (1) The governing body of any municipality may  
12 establish one or more districts in the manner provided in the  
13 Community Improvement District Act.

14 (2) The boundaries of the district shall be contiguous.

15 (3) Each district shall be either a political subdivision  
16 of the state or a nonprofit corporation organized pursuant to  
17 Nebraska law.

18 (4) If a proposed district is a nonprofit corporation,  
19 such corporation shall be organized and in good standing at the  
20 time the petition for the proposed district is filed with the  
21 municipal clerk.

22 (5) The name of the district shall include the  
23 words community improvement district, and if it is a nonprofit  
24 corporation, it shall be the same as the name of the nonprofit  
25 corporation.

26 Sec. 4. (1) Upon receipt of a proper petition filed with  
27 its municipal clerk, the governing body of the municipality in

1 which the proposed district is located shall hold a public hearing  
2 in accordance with section 5 of this act and may adopt an ordinance  
3 to establish the proposed district.

4 (2) A petition is proper if, based on the real property  
5 records of the register of deeds of the county where the district  
6 is located as of the time of filing the petition with the municipal  
7 clerk, it meets the following requirements:

8 (a) It has been signed by owners collectively owning more  
9 than fifty percent by assessed value of the real property within  
10 the boundaries of the proposed district;

11 (b) It has been signed by more than fifty percent per  
12 capita of all owners of real property within the boundaries of the  
13 proposed district;

14 (c) It contains the following information:

15 (i) The legal description of the proposed district,  
16 including a map illustrating the district boundaries;

17 (ii) The name of the proposed district;

18 (iii) A notice that the signatures of the signers may not  
19 be withdrawn later than seven days after the petition is filed with  
20 the municipal clerk;

21 (iv) A five-year plan stating a description of the  
22 purposes of the proposed district, the services it will provide,  
23 the improvements it will make, and an estimate of costs of these  
24 services and improvements to be incurred;

25 (v) A statement as to whether the district will be a  
26 political subdivision or a nonprofit corporation and, if it is to  
27 be a nonprofit corporation, the name of the nonprofit corporation;

1           (vi) If the district is to be a political subdivision, a  
2 statement as to whether the district will be governed by a board  
3 elected by the district or appointed by the municipality;

4           (vii) If the district is to be a political subdivision,  
5 the number of directors to serve on the board;

6           (viii) The total assessed value, as reflected by the tax  
7 records of the county where the proposed district is located, of  
8 all real property within the proposed district;

9           (ix) A statement as to whether the petitioners are  
10 seeking a determination that the proposed district, or any legally  
11 described portion thereof, is a blighted area or a substandard  
12 area;

13           (x) The proposed length of time for the existence of the  
14 district;

15           (xi) The maximum rates of special assessments and  
16 respective methods of assessment that may be proposed by petition;

17           (xii) The limitations, if any, on the borrowing capacity  
18 of the district;

19           (xii) The limitations, if any, on the revenue generation  
20 of the district;

21           (xiv) Other limitations, if any, on the powers of the  
22 district;

23           (xv) A request that the district be established; and

24           (xvi) Any other items the petitioners deem appropriate;  
25 and

26           (d) The signature block for each real property owner  
27 signing the petition shall be in substantially the following form

1 and contain the following information:

2 Name of owner: .....

3 Owner's telephone number and mailing address:

4 .....

5 If signer is different from owner:

6 Name of signer: .....

7 State basis of legal authority to sign:

8 .....

9 Signer's telephone number and mailing address:

10 .....

11 If the owner is an individual, state if owner is single

12 or married: .....

13 If owner is not an individual, state what type of entity:

14 .....

15 Map and parcel number and assessed value of each

16 tract of real property within the proposed district owned:

17 .....

18 By executing this petition, the undersigned represents

19 and warrants that he or she is authorized to execute this

20 petition on behalf of the property owner named immediately above

21 .....

22 Signature of person signing for owner

23 Date

24 STATE OF NEBRASKA)

25 )ss.

26 COUNTY OF ..... )

27 Before me personally appeared ....., to me

1 personally known to be the individual described in and who executed  
2 the foregoing instrument.

3 WITNESS my hand and official seal this ..... day  
4 of ..... (month), .....(year).

5 .....

6 Notary Public

7 My Commission Expires: .....

8 (3) Upon receipt of a petition the municipal clerk  
9 shall, within a reasonable time not to exceed thirty days after  
10 receipt of the petition, review and determine whether the petition  
11 substantially complies with the requirements of subsection (2) of  
12 this section. If the municipal clerk receives a petition which  
13 does not meet the requirements of subsection (2) of this section,  
14 the municipal clerk shall, within a reasonable time, return the  
15 petition to the submitting party by hand delivery, first-class  
16 mail, postage prepaid, or other efficient means of return and shall  
17 specify which requirements have not been met.

18 (4) After the close of the public hearing required  
19 pursuant to subsection (1) of this section, the governing body  
20 of the municipality may adopt an ordinance approving the petition  
21 and establishing a district as set forth in the petition and may  
22 determine, if requested in the petition, whether the district, or  
23 any legally described portion thereof, constitutes a blighted area  
24 or a substandard area.

25 (5) Amendments to a petition may be made which do not  
26 change the proposed boundaries of the proposed district if an  
27 amended petition meeting the requirements of subsection (2) of this

1 section is filed with the municipal clerk at the following times  
2 and the following requirements have been met:

3 (a) At any time prior to the close of the public hearing  
4 required pursuant to subsection (1) of this section, if notice  
5 of the contents of the amended petition is given at the public  
6 hearing;

7 (b) At any time after the public hearing and prior to  
8 the adoption of an ordinance establishing the proposed district,  
9 if notice of the amendments to the petition is given by publishing  
10 the notice in a newspaper of general circulation within the  
11 municipality and by sending the notice by registered or certified  
12 United States mail with a return receipt attached to the address  
13 of record of each owner of record of real property within the  
14 boundaries of the proposed district per the real property records  
15 of the register of deeds of the county where the district is  
16 located as of a date no earlier than ten days prior to the mailing.  
17 Such notice shall be published and mailed not less than ten days  
18 prior to the adoption of the ordinance establishing the district;  
19 and

20 (c) At any time after the adoption of any ordinance  
21 establishing the district, if a public hearing on the amended  
22 petition is held and notice of the public hearing is given in the  
23 manner provided in section 5 of this act and the governing body  
24 of the municipality in which the district is located adopts an  
25 ordinance approving the amended petition after the public hearing  
26 is held.

27 (6) Upon the creation of a district, the municipal clerk



1 shall report in writing the creation of such district to the  
2 Department of Economic Development.

3           Sec. 5. (1) Within a reasonable time, not to exceed  
4 forty-five days, after the receipt of the verified petition from  
5 the municipal clerk, the governing body shall hold or cause to  
6 be held a public hearing on the establishment of the proposed  
7 district and shall give notice of the public hearing in the  
8 manner provided in subsection (3) of this section. All reasonable  
9 protests, objections, and endorsements shall be heard at the public  
10 hearing.

11           (2) The public hearing may be continued to another date  
12 without further notice other than a motion to be entered on the  
13 minutes fixing the date, time, and place of the continuance of the  
14 public hearing.

15           (3) Notice of the public hearing shall be given by  
16 publication and mailing. Notice by publication shall be given  
17 by publication in a newspaper of general circulation within the  
18 municipality once a week for two consecutive weeks prior to the  
19 week of the public hearing. Notice by mail shall be given by  
20 sending the notice by registered or certified United States mail  
21 not less than fifteen days prior to the public hearing with a  
22 return receipt attached to the address of record of each owner  
23 of record of real property within the boundaries of the proposed  
24 district. The published and mailed notices shall include the  
25 following:

- 26           (a) The date, time, and place of the public hearing;  
27           (b) A statement that a petition for the establishment of

1 a district has been filed with the municipal clerk;

2 (c) The boundaries of the proposed district by street  
3 location, or other readily identifiable means if no street location  
4 exists, and a map illustrating the proposed boundaries;

5 (d) A statement that a copy of the petition is available  
6 for review at the office of the municipal clerk during regular  
7 business hours; and

8 (e) A statement that all interested persons will be given  
9 an opportunity to be heard at the public hearing.

10 Sec. 6. (1) Upon the written request of any real property  
11 owner within the district, the governing body of the municipality  
12 may hold a public hearing for the removal of real property from a  
13 district and such real property may be removed from such district  
14 by ordinance if:

15 (a) The board consents to the removal of such property;

16 (b) The district can meet its obligations without the  
17 revenue generated by or on the real property proposed to be  
18 removed; and

19 (c) A public hearing is conducted in the same manner as  
20 required by section 5 of this act with notice of the hearing given  
21 in the same manner as required by such section and such notice  
22 shall include:

23 (i) The date, time, and place of the public hearing;

24 (ii) The name of the district;

25 (iii) The boundaries by street location, or other readily  
26 identifiable means if no street location exists of the real  
27 property proposed to be removed from the district, and a map

1 illustrating the boundaries of the existing district and the real  
2 property proposed to be removed; and

3 (iv) A statement that all interested persons will be  
4 given an opportunity to be heard at the public hearing.

5 (2) With the consent of the board, real property may  
6 be added to the district by ordinance upon receipt of a proper  
7 petition and after a public hearing is held by the governing body  
8 of the municipality on the addition of the real property in the  
9 manner provided in section 5 of this act. Notice of the public  
10 hearing shall be given by publication and mailed to the owners of  
11 real property within the boundaries of the district and the area  
12 proposed to be added in the manner provided in section 5 of this  
13 act. The notice shall include the following information:

14 (a) The time, date, and place of the public hearing;

15 (b) The name of the proposed or established district;

16 (c) The boundaries by street location, or other readily  
17 identifiable means if no street location exists, of the real  
18 property to be added to the district, and a map showing the  
19 boundaries of the existing district and the real property proposed  
20 to be added to the district;

21 (d) A statement that a copy of the petition is available  
22 for review during regular business hours at the office of the  
23 municipal clerk; and

24 (e) A statement that all interested persons will be given  
25 an opportunity to be heard at the public hearing.

26 (3) For purposes of this section, a proper petition is  
27 one which meets the requirements of section 4 of this act, which

1 requirements shall only apply as to the real property proposed to  
2 be added.

3 (4) A public hearing may be held to amend the petition  
4 and notice of such amendments may be given simultaneously with a  
5 public hearing to alter the district boundaries.

6 Sec. 7. (1) If a district is a political subdivision, the  
7 election and qualification of members to the district's board of  
8 directors shall be in accordance with this section. If a district  
9 is a nonprofit corporation, the election and qualification of  
10 members to its board of directors shall be in accordance with  
11 Nebraska law.

12 (2) The district shall be governed by a board consisting  
13 of at least five but not more than fifteen directors. Each director  
14 shall, during his or her entire term:

15 (a) Be at least eighteen years of age;

16 (b) Be either:

17 (i) An owner of real property or of a business operating  
18 within the district; or

19 (ii) A registered voter residing within the district; and

20 (c) Have any other qualifications set forth in the  
21 petition establishing the district.

22 (3) If there are fewer than five owners of real property  
23 located within a district, the board may be comprised of up to five  
24 legally authorized representatives of any one or more of the owners  
25 of real property located within the district or of any business  
26 operating in the district.

27 (4) If the district is a political subdivision, the board

1 shall be elected or appointed as provided in the petition.

2 (5) If the board is to be elected, the election shall be  
3 according to section 32-404, 32-556, or 32-559 and other applicable  
4 provisions of the Election Act.

5 (6) The director or directors to be elected shall be  
6 elected at large. The person receiving the most votes shall be  
7 elected to the position having the longest term, the person  
8 receiving the second highest number of votes shall be elected to  
9 the position having the next longest term, and so forth. For the  
10 initial directors, one-half shall serve for a two-year term, and  
11 one-half shall serve for a four-year term. If an odd number of  
12 directors are elected, the director receiving the least number of  
13 votes shall serve for a two-year term or until such director's  
14 successor is elected;

15 (7) Successor directors shall be elected in the same  
16 manner as the initial directors. Each successor director shall  
17 serve a four-year term and shall continue until such director's  
18 successor is elected.

19 (8) In the event of a vacancy on the board of directors,  
20 the remaining directors shall elect an interim director to fill the  
21 vacancy for the unexpired term.

22 (9) If the petition provides that the board is to be  
23 appointed by the municipality, such appointments shall be made by  
24 the governing body of the municipality. Of the initial appointed  
25 directors, one-half shall be appointed to serve for two-year terms  
26 and one-half shall be appointed to serve for four-year terms. If  
27 an odd number of directors are appointed, the last person appointed

1 shall serve for a two-year term. Each director shall serve until  
2 such director's successor is appointed. Successor directors shall  
3 be appointed in the same manner as the initial directors and shall  
4 serve for a four-year term.

5 (10) If the petition states the names of the initial  
6 directors, one-half shall serve for two-year terms, one-half shall  
7 serve for four-year terms, and the last person shall serve for a  
8 two-year term. Successor directors shall be determined either by  
9 the election process or appointment process as provided in the  
10 petition.

11 (11) Any director may be removed for cause by a  
12 two-thirds affirmative vote of the directors of the board. Written  
13 notice of the proposed removal shall be given to all directors  
14 prior to action thereon.

15 (12) The board may act on behalf of the district, except  
16 that all official acts of the board shall be by written resolution  
17 approved by the board.

18 Sec. 8. (1) Each district shall have all the powers,  
19 except to the extent any such power has been limited by the  
20 petition approved by the governing body of the municipality to  
21 establish the district, necessary to carry out and effectuate the  
22 purposes and provisions of the Community Improvement District Act  
23 including, but not limited to, the following:

24 (a) To adopt, amend, and repeal bylaws, consistent with  
25 the act, necessary or convenient to carry out the act;

26 (b) To sue and be sued;

27 (c) To make and enter into contracts and other

1 instruments, with public and private entities, necessary or  
2 convenient to exercise its powers and carry out its duties pursuant  
3 to the act;

4 (d) To accept grants, guarantees, and donations of  
5 property, labor, services, or other things of value from any  
6 public or private source;

7 (e) To employ or contract for such managerial,  
8 engineering, legal, technical, clerical, accounting, or other  
9 services and assistance as it deems advisable;

10 (f) To acquire, by purchase, lease, gift, grant, bequest,  
11 devise, or otherwise, any real property within its boundaries,  
12 personal property, or any interest in such property;

13 (g) To sell, lease, exchange, transfer, assign, mortgage,  
14 pledge, hypothecate, or otherwise encumber or dispose of any real  
15 or personal property or any interest in such property;

16 (h) To levy and collect special assessments and taxes as  
17 provided in the act, except no such assessments shall be levied on  
18 any property exempt from taxation pursuant to section 77-202. Those  
19 exempt may voluntarily participate in the assessments or taxes;

20 (i) If the district is a political subdivision, to levy a  
21 sales tax pursuant to the act;

22 (j) To fix, charge, and collect fees, rents, and other  
23 charges for use of any of the following:

24 (i) The district's real property, except for public  
25 rights-of-way for utilities;

26 (ii) The district's personal property; or

27 (iii) Any of the district's interests in such real or

1 personal property, except for public rights-of-way for utilities;

2 (k) To borrow money from any public or private source and  
3 issue obligations and provide security for the repayment of the  
4 same as provided in the act;

5 (l) To loan money as provided in the act;

6 (m) To make expenditures, create reserve funds, and use  
7 its revenue as necessary to carry out its powers or duties and the  
8 provisions and purposes of the act;

9 (n) To enter into one or more agreements with the  
10 municipality for the purpose of abating any public nuisance within  
11 the boundaries of the district including, but not limited to, the  
12 stabilization, repair, or maintenance or demolition and removal  
13 of buildings or structures, if the municipality has declared the  
14 existence of a public nuisance;

15 (o) To provide assistance to or to construct,  
16 reconstruct, install, repair, maintain, operate, and equip any of  
17 the following public improvements:

18 (i) Pedestrian or shopping malls and plazas;

19 (ii) Parks, lawns, trees, and any other landscape;

20 (iii) Convention centers, arenas, aquariums, aviaries,  
21 and meeting facilities;

22 (iv) Sidewalks, streets, alleys, bridges, ramps, tunnels,  
23 overpasses and underpasses, traffic signs and signals, utilities,  
24 drainage, water, storm and sewer systems, and other site  
25 improvements;

26 (v) Parking lots, garages, or other facilities;

27 (vi) Lakes, dams, and waterways;



1           (vii) Streetscape, lighting, benches or other seating  
2 furniture, trash receptacles, marquees, awnings, canopies, walls,  
3 and barriers;

4           (viii) Telephone and information booths, bus stop and  
5 other shelters, restrooms, and kiosks;

6           (ix) Paintings, murals, display cases, sculptures, and  
7 fountains;

8           (x) Music, news, and child care facilities; and

9           (xi) Any other useful, necessary, or desired public  
10 improvement;

11           (p) To dedicate to the municipality, with the  
12 municipality's consent, streets, sidewalks, parks, and other real  
13 property and improvements located within its boundaries for public  
14 use;

15           (q) With the municipality's consent, to prohibit or  
16 restrict vehicular and pedestrian traffic and vendors on streets,  
17 alleys, malls, bridges, ramps, sidewalks, and tunnels and to  
18 provide the means for access by emergency vehicles to or in such  
19 areas;

20           (r) To acquire, contract, improve, operate or to contract  
21 for the provision of music, news, educational child care, or  
22 parking facilities, and buses, minibuses, or other modes of  
23 transportation;

24           (s) Within its boundaries, to lease space for sidewalk  
25 cafe tables and chairs;

26           (t) To provide or contract for the provision of security  
27 personnel, equipment, or facilities for the protection of property

1 and persons within its boundaries;

2 (u) To provide or contract for cleaning, maintenance,  
3 and other services to public and private property within its  
4 boundaries;

5 (v) To produce and promote any tourism, recreational,  
6 or cultural activity, special event, or holiday benefitting the  
7 district by, but not limited to, advertising, decoration of any  
8 public place in the district, promotion of such activity and  
9 special events, and furnishing music in any public place;

10 (w) To support business activity and economic development  
11 benefitting the district including, but not limited to, the  
12 promotion of business activity, development, and retention, and  
13 the recruitment of developers and businesses;

14 (x) To provide or support training programs for employees  
15 of businesses within the district;

16 (y) To provide refuse collection and disposal services  
17 within the district;

18 (z) To contract for or conduct economic, planning,  
19 marketing, or other studies;

20 (aa) To repair, restore, or maintain any abandoned  
21 cemetery on public or private land within the district; and

22 (bb) To carry out any other powers set forth in the act.

23 (2) Each district which is located in a blighted area or  
24 substandard area or which includes a blighted area or substandard  
25 area shall have the following additional powers:

26 (a) Within its blighted area or substandard area, to  
27 contract with any private property owner to demolish and remove,

1 renovate, construct, reconstruct, or rehabilitate any building,  
2 structure, or other private improvement owned or to be owned by a  
3 private property owner; and

4 (b) To expend its revenue or loan its revenue pursuant  
5 to a contract entered into pursuant to this subdivision if the  
6 governing body of the municipality has determined that the action  
7 to be taken pursuant to such contract is reasonably anticipated to  
8 remediate the blighting conditions and will serve a public purpose.

9 (3) Each district shall annually reimburse the  
10 municipality for the reasonable and actual expenses incurred by  
11 the municipality to establish such district and review annual  
12 budgets and reports of such district required to be submitted to  
13 the municipality, except that such annual reimbursement shall not  
14 exceed one and one-half percent of the revenue collected by the  
15 district in such year.

16 (4) Nothing in the act shall be construed to delegate  
17 to any district any sovereign right of municipalities to promote  
18 order, safety, health, morals, and general welfare of the public,  
19 except such police powers, if any, expressly delegated pursuant to  
20 the act.

21 (5) The governing body of the municipality establishing  
22 the district shall not decrease the level of publicly funded  
23 services in the district existing prior to the creation of  
24 the district or transfer the financial burden of providing the  
25 services to the district unless the services at the same time  
26 are decreased throughout the municipality, nor shall the governing  
27 body discriminate in the provision of the publicly funded services

1 between areas included in such district and areas not so included.

2           Sec. 9. (1) The fiscal year for the district shall be the  
3 same as the fiscal year of the municipality.

4           (2) No earlier than one hundred eighty days and no  
5 later than ninety days prior to the first day of each fiscal  
6 year, the board shall submit to the municipality a proposed annual  
7 budget, setting forth expected expenditures, revenue, and rates  
8 of assessments and taxes, if any, for such fiscal year. The  
9 municipality may review and comment to the board on this proposed  
10 budget, but if such comments are given, the municipality shall  
11 provide such written comments to the board no later than sixty days  
12 prior to the first day of the relevant fiscal year. Such comments  
13 shall not constitute requirements but shall only be recommendations  
14 unless otherwise provided in a contract between the district and  
15 municipality.

16           (3) The board shall hold an annual meeting and adopt an  
17 annual budget no later than thirty days prior to the first day of  
18 each fiscal year.

19           (4) Within one hundred twenty days after the end of each  
20 fiscal year, the district shall submit a report to the municipal  
21 clerk and the Department of Economic Development stating the  
22 services provided, revenue collected, and expenditures made by the  
23 district during such fiscal year, and copies of written resolutions  
24 approved by the board during the fiscal year. The municipal clerk  
25 shall retain this report as part of the official records of the  
26 municipality and shall also cause this report to be spread upon the  
27 records of the governing body.

1           Sec. 10. (1) Each ordinance establishing a district shall  
2 set forth the term for the existence of such district which term  
3 may be defined as a maximum or definite number of years.

4           (2) Upon receipt by the municipal clerk of a proper  
5 petition and after notice and a public hearing, any district may  
6 be terminated by ordinance adopted by the governing body of the  
7 municipality prior to the expiration of its term if the district  
8 has no outstanding obligations. A copy of such ordinance shall be  
9 given to the Department of Economic Development.

10          (3) A petition for the termination of a district is  
11 proper if:

12           (a) It names the district to be terminated;

13           (b) It has been signed by owners of real property  
14 collectively owning more than fifty percent by assessed value of  
15 real property within the boundaries of the district;

16           (c) It has been signed by more than fifty percent per  
17 capita of owners of real property within the boundaries of the  
18 district;

19           (d) It contains a plan for dissolution and distribution  
20 of the assets of the district; and

21           (e) The signature block signed by each petitioner is in  
22 the form set forth in subdivision (2)(d) of section 4 of this act.

23          (4) The public hearing required by this section shall be  
24 held and notice of such public hearing shall be given in the manner  
25 set forth in section 5 of this act. The notice shall contain the  
26 following information:

27           (a) The date, time, and place of the public hearing;

1           (b) A statement that a petition requesting the  
2 termination of the district has been filed with the municipal  
3 clerk;

4           (c) A statement that a copy of the petition is available  
5 at the office of the municipal clerk during regular business hours;  
6 and

7           (d) A statement that all interested parties will be given  
8 an opportunity to be heard.

9           (5) Upon expiration or termination of a district, the  
10 assets of such district shall be distributed in accordance with the  
11 plan for dissolution as approved by ordinance. Every effort should  
12 be made by the municipality for the assets of the district to be  
13 distributed in such a manner so as to benefit the real property  
14 which was formerly a part of the district.

15           Sec. 11. (1) Any district organized as a nonprofit  
16 corporation may merge with another district organized as a  
17 nonprofit corporation. Such merger shall be conducted under the  
18 procedures for merger provided under Nebraska law and shall not  
19 become effective unless:

20           (a) The boundaries of the merging districts are  
21 contiguous;

22           (b) The articles of merger contain a legal description of  
23 the surviving district corporation;

24           (c) The term of existence of the surviving district  
25 corporation stated in the articles of merger are equal to the  
26 shortest length of time remaining for existence of either merging  
27 district corporation as determined by the applicable ordinances

1 establishing the merging district corporations; and

2 (d) A copy of the articles of merger is sent to the  
3 Department of Economic Development.

4 (2) If two district corporations merge under this  
5 section, the board of directors of the surviving district  
6 corporation may continue to levy special assessments against such  
7 tracts, lots, or parcels listed in, and in an amount as provided  
8 in, a previously authorized petition under section 4 of this act  
9 if the level of service stated in such petition is not decreased  
10 by the surviving district corporation. A new special assessment  
11 petition may be submitted to the surviving district corporation  
12 and, if stated in the petition, may supersede or replace the  
13 previously authorized special assessment petitions.

14 (3) No merger under this section shall be construed to  
15 be a petition for termination under section 10 of this act or to  
16 invoke a plan of dissolution as provided in such section.

17 Sec. 12. (1) A district may, at any time, issue revenue  
18 bonds and refunding bonds as provided in section 10-615 for the  
19 purpose of carrying out any of its powers, duties, or purposes.  
20 Such bonds shall be payable out of all, part, or any combination  
21 of the revenue of the district or revenue received by contract  
22 from another political subdivision of the state and may be further  
23 secured by all or any part of any property or any interest in any  
24 property by mortgage or any other security interest granted. Such  
25 bonds shall be authorized by resolution of the district and, if  
26 issued by the district, shall bear such date or dates and shall  
27 mature at such time or times, but not more than thirty years from

1 the date of issuance, as the resolution shall specify.

2 (2) No bonds issued by a district that is a political  
3 subdivision shall constitute an indebtedness within the meaning  
4 of any constitutional, statutory, or charter debt limitation or  
5 restriction. No such bond shall be a general obligation of the  
6 district, municipality, State of Nebraska, or political subdivision  
7 thereof, and such bonds shall not be payable out of any funds  
8 or properties other than those specifically pledged as security  
9 therefor, unless bonds are issued as an indebtedness of the  
10 district with the approval of the qualified voters, in which  
11 instance the bonds shall be a general obligation of the district  
12 only.

13 (3) Bonds issued pursuant to this section by a district  
14 which is a political subdivision, the interest thereon, and any  
15 proceeds from such bonds shall be exempt from taxation in the State  
16 of Nebraska.

17 (4) The municipality may, pursuant to a cooperative  
18 agreement with a district, issue bonds and loan the proceeds of  
19 such bonds to the district for the purpose of carrying out the  
20 powers, duties, or purposes of the district.

21 Sec. 13. (1) A district may use any one or more of  
22 the assessments, taxes, or other funding methods specifically  
23 authorized pursuant to the Community Improvement District Act to  
24 provide funds to accomplish any power, duty, or purpose of the  
25 district.

26 (2) A district may establish different classes of real  
27 property within the district for purposes of special assessments.



1 The levy rate for special assessments may vary for each class or  
2 subclass of real property based on the level of benefit derived  
3 from services or improvements funded, provided, or caused to be  
4 provided by the district.

5 (3) Notwithstanding anything in the act to the contrary,  
6 any district which is not a political subdivision shall have no  
7 power to levy any tax but shall have the power to levy special  
8 assessments in accordance with section 15 of this act.

9 Sec. 14. (1) Any municipality in which any part of  
10 a district is located may, by ordinance, establish a community  
11 improvement district municipal fund in the municipality's treasury.

12 (2) This fund may be used to:

13 (a) Pay the costs of planning, administration, and any  
14 improvement authorized in the Community Improvement District Act;

15 (b) Prepare preliminary plans, studies, and engineering  
16 reports to determine the feasibility of a public improvement or  
17 service; or

18 (c) If ordered by the governing body of the municipality,  
19 pay the initial cost of the public improvement or service until  
20 obligations have been issued and sold.

21 (3) The fund is not required to be budgeted for  
22 expenditure during any year, but the amount of the fund must  
23 be stated in the municipality's annual budget. The amount of the  
24 fund shall be based on an annual service plan that describes the  
25 public improvements and services for the fiscal year.

26 (4) A grant-in-aid or contribution made to the  
27 municipality for the planning and preparation of plans for public

1 improvement or service authorized pursuant to the act may be  
2 credited to the community improvement district municipal fund.

3 (5) Other political subdivisions may enter into  
4 cooperative agreements with the district to make payments in lieu  
5 of taxes.

6 Sec. 15. (1) A district may levy by resolution one  
7 or more special assessments against real property within its  
8 boundaries, upon receipt of and in accordance with a petition  
9 signed by:

10 (a) Owners of real property collectively owning more  
11 than fifty percent by assessed value of real property within the  
12 boundaries of the district which is to be subject to special  
13 assessments; and

14 (b) More than fifty percent per capita of the owners of  
15 all real property within the boundaries of the district which is to  
16 be subject to special assessments.

17 (2) The special assessment petition shall be in  
18 substantially the following form:

19 The ..... (insert name of district)  
20 Community Improvement District (District) shall be authorized to  
21 levy special assessments against real property benefited within the  
22 District for the purpose of providing revenue for .....  
23 (insert general description of specific service or projects)  
24 in the District, such special assessments to be levied against  
25 each tract, lot, or parcel of real property listed below within  
26 the District which receives special benefit as a result of such  
27 service or projects, the cost of which shall be allocated among

1 this property by ..... (insert method of allocation,  
2 for example, per square foot of property, per square foot on  
3 each square foot of improvement, or by abutting foot of property  
4 abutting streets, roads, highways, parks, or other improvements,  
5 or any other reasonable method) in an amount not to exceed  
6 ..... dollars per (insert unit of measure). Such authorization  
7 to levy the special assessment shall expire on .....  
8 (insert date). The tracts of land located in the District which  
9 will receive special benefit from this service or projects are:  
10 ..... (list of properties by common addresses and legal  
11 descriptions).

12 (3) The method for allocating such special assessments  
13 set forth in the petition may be any reasonable method which  
14 results in imposing assessments upon real property benefited in  
15 relation to the benefit conferred upon each respective tract, lot,  
16 or parcel of real property and the cost to provide such benefit.

17 (4) By resolution of the board, the district may levy a  
18 special assessment rate lower than the rate ceiling set forth in  
19 the petition authorizing the special assessment and may increase  
20 such lowered special assessment rate to a level not exceeding the  
21 special assessment rate ceiling set forth in the petition without  
22 further approval of the real property owners. A district imposing  
23 a special assessment pursuant to this section cannot repeal or  
24 amend such special assessment or lower the rate of such special  
25 assessment if such repeal, amendment, or lower rate will impair the  
26 district's ability to pay any liabilities that it has incurred,  
27 money that it has borrowed, or obligations that it has issued.

1           (5) Each special assessment which is due and owing shall  
2 constitute a perpetual lien against each tract, lot, or parcel of  
3 property from which it is derived. Such lien may be foreclosed in  
4 the same manner as any other special assessment lien as provided in  
5 section 77-1917.01.

6           (6) A separate fund or account shall be created by the  
7 district for each special assessment levied, and each fund or  
8 account shall be identifiable by a suitable title. The proceeds of  
9 such assessments shall be credited to such fund or account. Such  
10 fund or account shall be used solely to pay the costs incurred in  
11 undertaking the specified service or improvement.

12           (7) Upon completion of the specified service or  
13 improvement or both, the balance remaining in the fund or account  
14 established for such specified service or improvement or both  
15 shall be returned or credited against the amount of the original  
16 assessment of each parcel of property pro rata based on the method  
17 of assessment of such special assessment.

18           (8) Any funds in a fund or account created pursuant  
19 to this section which are not needed for current expenditures  
20 may be invested by the board in accordance with applicable laws  
21 relating to the investment of funds of the municipality in which  
22 the district is located.

23           (9) The authority of the district to levy special  
24 assessments shall be independent of the limitations and authority  
25 of the municipality in which it is located.

26           Sec. 16. (1) The special assessments made upon all real  
27 property within the district shall be collected in the same manner

1 as real property taxes are collected. If the special assessment is  
2 based on something other than the assessed value of real property,  
3 the district shall provide the information on which such special  
4 assessment is based for all applicable real property.

5 (2) The county treasurer shall remit to the treasurer of  
6 the district the amount collected or received on behalf of the  
7 district. The district treasurer shall deposit such sums into the  
8 district treasury, credited to the appropriate fund or account.

9 Sec. 17. (1) Any district formed as a political  
10 subdivision may impose by resolution a district sales and use tax  
11 on all retail sales made in such district which are subject to  
12 sales and use tax. Any sales and use tax imposed pursuant to this  
13 section may be imposed in increments of one-eighth of one percent,  
14 up to a maximum of one percent. Such district sales and use tax  
15 may be imposed for any district purpose designated by the district  
16 in its ballot of submission to its qualified voters. No resolution  
17 adopted pursuant to this section shall become effective unless the  
18 board submits to the qualified voters of the district a proposal  
19 to authorize a sales and use tax pursuant to this section at  
20 an election held by mail. The secretary of the board shall, at  
21 least fifteen days prior to the election, mail to the last-known  
22 post office address of each qualified voter, a ballot which shall  
23 contain the ballot question pursuant to subsection (3) of this  
24 section and give instructions on how to vote and return the ballot.  
25 If a majority of the votes cast by the qualified voters voting on  
26 the proposed sales and use tax are in favor of the sales and use  
27 tax, then the resolution is adopted. If a majority of the votes

1 cast by the qualified voters are opposed to the tax, then the  
2 resolution is void.

3 (2) The ballot question shall be substantially in the  
4 following form:

5 Shall the ..... (insert name of district)  
6 Community Improvement District impose a community improvement  
7 districtwide sales and use tax at the maximum rate  
8 of ..... (insert amount) for a period of  
9 ..... (insert number) years from the date on which  
10 such tax is first imposed for the purpose of providing revenue  
11 for ..... (insert general description of the  
12 purpose)?

13 (3) Within ten days after the qualified voters have  
14 approved the imposition of the sales and use tax, the district  
15 shall notify the Department of Revenue. The sales and use tax  
16 authorized by this section shall become effective on the first  
17 day of the second calendar quarter after the Department of Revenue  
18 receives notice of the adoption of such tax.

19 (4) In each district in which a sales and use tax is  
20 imposed pursuant to this section, every retailer shall add such  
21 additional tax imposed by the district to such retailer's sale  
22 price, and when so added such tax shall constitute a part of the  
23 purchase price, shall be a debt of the purchaser to the retailer  
24 until paid, and shall be recoverable at law in the same manner as  
25 the purchase price.

26 (5) All revenue received by the district from a sales and  
27 use tax imposed pursuant to this section which is designated for a

1 specific purpose shall be deposited into a special trust fund and  
2 expended solely for such purpose. Upon the expiration of any sales  
3 and use tax adopted pursuant to this section, all funds remaining  
4 in the special trust fund shall continue to be used solely for  
5 the specific purpose designated in the resolution adopted by the  
6 qualified voters. Any funds in such special trust fund which are  
7 not needed for current expenditures may be invested by the board  
8 pursuant to applicable laws relating to the investment of other  
9 district funds.

10 (6) A district may repeal by resolution any sales and use  
11 tax imposed pursuant to this section before the expiration date of  
12 such sales and use tax unless the repeal of such sales and use  
13 tax will impair the district's ability to repay any liabilities  
14 the district has incurred, money the district has borrowed, or  
15 obligation the district has issued to finance any improvements or  
16 services rendered for the district.

17 (7) Upon passage of the resolution described in  
18 subsection (1) of this section, in lieu of the election referenced  
19 in subsection (1) of this section, if no registered voters reside  
20 within the district, one hundred percent of the owners of real  
21 property in the district, according to real property records of  
22 the register of deeds of the county where the district is located  
23 as of the date of the submission of the petition to the board  
24 of directors of such district as described in this subsection,  
25 may authorize a sales and use tax by unanimous petition. Such  
26 petition shall include a request that the district impose a sales  
27 tax, the maximum rate of the tax, and the maximum duration that

1 the tax is to be imposed. The signature block for each owner  
2 signing the petition shall be in substantially the form set forth  
3 in subdivision (2)(d) of section 4 of this act and shall contain  
4 the same information. Such petition shall be submitted to the  
5 board of directors of the district who shall verify that the  
6 signatures thereon represent one hundred percent of the owners of  
7 real property in the district. The results of such verification  
8 shall be entered into the records of the district, and the date of  
9 such entry shall be equivalent to the date of the election held  
10 under the subsection (1) of this section.

11           Sec. 18. No lawsuit to set aside a district established  
12 under the Community Improvement District Act, to set aside a  
13 special assessment or a tax levied under the act, or to otherwise  
14 question the validity of the proceedings related thereto can be  
15 brought more than ninety days after the effective date of the  
16 ordinance establishing such district in question, the effective  
17 date of the resolution levying such special assessment or tax  
18 in question or taking the particular action in question, or the  
19 effective date of a merger of two districts under section 11 of  
20 this act.

21           Sec. 19. Section 10-615, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           10-615 Any sanitary and improvement district, any road  
24 improvement district, ~~and~~ any fire protection district, and any  
25 community improvement district in the State of Nebraska which has  
26 issued or which will issue bonds for any purpose, and such bonds or  
27 any part of such bonds are unpaid, are a legal liability against



1 such district, and are bearing interest, may issue refunding bonds  
2 with which to call and redeem all or any part of such outstanding  
3 bonds at or before the maturity or the redemption date of such  
4 bonds, may include various series and issues of the outstanding  
5 bonds in a single issue of refunding bonds, and may issue refunding  
6 bonds to pay any redemption premium and interest to accrue and  
7 become payable on the outstanding bonds being refunded or refunding  
8 bonds issued. The refunding bonds may be issued and delivered  
9 at any time prior to the date of maturity or the redemption  
10 date of the bonds to be refunded that the governing body or the  
11 administrator determines to be in the best interest of any such  
12 district. The proceeds derived from the sale of the refunding bonds  
13 issued pursuant to this section may be invested in obligations  
14 of or guaranteed by the United States Government pending the time  
15 the proceeds are required for the purpose for which such refunding  
16 bonds were issued. To further secure the refunding bonds, any such  
17 district may enter into a contract with any bank or trust company,  
18 within or without the state, with respect to the safekeeping  
19 and application of the proceeds of the refunding bonds and the  
20 safekeeping and application of the earnings on the investment of  
21 such proceeds. Any outstanding bonds, which shall have been called  
22 for redemption and which have sufficient funds or obligations of or  
23 guaranteed by the United States Government set aside in safekeeping  
24 to be applied for the complete payment of such bonds, interest  
25 on such bonds, and redemption premium, if any, on the redemption  
26 date, shall not be considered as outstanding and unpaid, and such  
27 bonds shall be fully secured by and be payable from such funds or

1 obligations so deposited. Each new refunding bond so issued shall  
2 state on the bond (1) the object of its issue, (2) this section of  
3 the law under which such issue was made, including a statement that  
4 the issue is made pursuant to such section, and (3) the date and  
5 principal amount of the bond or bonds for which the refunding bonds  
6 are being issued.

7           Sec. 20. Section 32-404, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           32-404 (1) When any political subdivision holds an  
10 election in conjunction with the statewide primary or general  
11 election, the election shall be held as provided in the Election  
12 Act. Any other election held by a political subdivision shall  
13 be held as provided in the act unless otherwise provided by the  
14 charter, code, or bylaws of the political subdivision.

15           (2) No later than December 1 of each odd-numbered year,  
16 the election commissioner or county clerk shall give notice to each  
17 political subdivision of the filing deadlines for the statewide  
18 primary election. No later than January 5 of each even-numbered  
19 year, the governing board of each political subdivision which will  
20 hold an election in conjunction with a statewide primary election  
21 shall certify to the Secretary of State, the election commissioner,  
22 or the county clerk the name of the subdivision, the number of  
23 officers to be elected, the length of the terms of office, the  
24 vacancies to be filled by election and length of remaining term,  
25 and the number of votes to be cast by a registered voter for each  
26 office.

27           (3) No later than July 1 of each even-numbered year, the

1 governing board of each reclamation district, county weed district,  
2 village, county under township organization, public power district  
3 receiving annual gross revenue of less than forty million dollars,  
4 ~~or~~ educational service unit, or community improvement district  
5 which will hold an election in conjunction with a statewide general  
6 election shall certify to the Secretary of State, the election  
7 commissioner, or the county clerk the name of the subdivision,  
8 the number of officers to be elected, the length of the terms  
9 of office, the vacancies to be filled by election and length of  
10 remaining term, and the number of votes to be cast by a registered  
11 voter for each office.

12 (4) The Secretary of State shall prescribe the forms  
13 to be used for certification to him or her, and the election  
14 commissioner or county clerk shall prescribe the forms to be used  
15 for certification to him or her.

16 Sec. 21. Section 77-1917.01, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 77-1917.01 All cities, villages, ~~and~~ sanitary and  
19 improvement districts, and community improvement districts in  
20 Nebraska shall have a lien upon real estate within their  
21 boundaries for all special assessments due thereon to the municipal  
22 corporation or district, which lien shall be inferior only to  
23 general taxes levied by the state and its political subdivisions.  
24 When such special assessments have become delinquent, without the  
25 real property against which they are assessed being first offered  
26 at tax sale by the tax sale certificate method or otherwise, the  
27 municipal corporation or district involved may itself as party

1 plaintiff proceed in the district court of the county in which the  
2 real estate is situated to foreclose, in its own name, the lien  
3 for such delinquent special assessments in the same manner and with  
4 like effect as in the foreclosure of a real estate mortgage, except  
5 as otherwise specifically provided by sections 77-1903 to 77-1917,  
6 which shall govern when applicable. Final confirmation of sale in  
7 such foreclosure proceeding and issuance of deed to the plaintiff,  
8 or its assignee, cannot be had until two years have expired from  
9 the date of the sale held by the sheriff, and, after expiration of  
10 such two-year period, personal notice has been served on occupants  
11 of the real property. The remedy granted in this section to cities,  
12 villages, and sanitary and improvement districts, and community  
13 improvement districts for the collection of delinquent special  
14 assessments shall be cumulative and in addition to other existing  
15 methods.

16           Sec. 22. Original sections 10-615, 32-404, and  
17 77-1917.01, Reissue Revised Statutes of Nebraska, are repealed.