

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1108**

Introduced by Day, 49.

Read first time January 19, 2022

Committee:

- 1 A BILL FOR AN ACT relating to sanitary and improvement districts; to
- 2 amend section 31-727, Revised Statutes Supplement, 2021; to provide
- 3 powers and duties relating to the regulation of fireworks to certain
- 4 sanitary and improvement districts as prescribed; and to repeal the
- 5 original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 31-727, Revised Statutes Supplement, 2021, is  
2 amended to read:

3 31-727 (1)(a) A majority of the owners having an interest in the  
4 real property within the limits of a proposed sanitary and improvement  
5 district, situated in one or more counties in this state, may form a  
6 sanitary and improvement district for the purposes of installing electric  
7 service lines and conduits, a sewer system, a water system, an emergency  
8 management warning system, a system of sidewalks, public roads, streets,  
9 and highways, public waterways, docks, or wharfs, and related  
10 appurtenances, contracting for water for fire protection and for resale  
11 to residents of the district, contracting for police protection and  
12 security services, contracting for solid waste collection services,  
13 contracting for access to the facilities and use of the services of the  
14 library system of one or more neighboring cities or villages, and  
15 contracting for gas and for electricity for street lighting for the  
16 public streets and highways within such proposed district, constructing  
17 and contracting for the construction of dikes and levees for flood  
18 protection for the district, acquiring, improving, and operating public  
19 parks, playgrounds, and recreational facilities, and acquiring,  
20 purchasing, leasing, owning, erecting, constructing, equipping,  
21 operating, or maintaining all or a portion of offstreet motor vehicle  
22 public parking facilities located in the district to serve business.

23 (b) The sanitary and improvement district may also contract with a  
24 county within which all or a portion of such sanitary and improvement  
25 district is located or a city within whose zoning jurisdiction such  
26 sanitary and improvement district is located for any public purpose  
27 specifically authorized in this section.

28 (c) Sanitary and improvement districts located in any county which  
29 has a city of the metropolitan class within its boundaries or in any  
30 adjacent county which has adopted a comprehensive plan may contract with  
31 other sanitary and improvement districts to acquire, build, improve, and

1 operate public parks, playgrounds, and recreational facilities for the  
2 joint use of the residents of the contracting districts.

3 (d) Nothing in this section shall authorize districts to purchase  
4 electric service and resell the same.

5 (e) The district, in lieu of establishing its own water system, may  
6 contract with any utilities district, municipality, or corporation for  
7 the installation of a water system and for the provision of water service  
8 for fire protection and for the use of the residents of the district.

9 (f) For the purposes listed in this section, such majority of the  
10 owners may make and sign articles of association in which shall be stated

11 (i) the name of the district, (ii) that the district will have perpetual  
12 existence, (iii) the limits of the district, (iv) the names and places of  
13 residence of the owners of the land in the proposed district, (v) the  
14 description of the several tracts of land situated in the district owned  
15 by those who may organize the district, (vi) the name or names and the  
16 description of the real estate owned by such owners as do not join in the  
17 organization of the district but who will be benefited thereby, and (vii)  
18 whether the purpose of the corporation is installing gas and electric  
19 service lines and conduits, installing a sewer system, installing a water  
20 system, installing a system of public roads, streets, and highways,  
21 public waterways, docks, or wharfs, and related appurtenances,  
22 contracting for water for fire protection and for resale to residents of  
23 the district, contracting for police protection and security services,  
24 contracting for solid waste collection services, contracting for access  
25 to the facilities and use of the services of the library system of one or  
26 more neighboring cities or villages, contracting for street lighting for  
27 the public streets and highways within the proposed district,  
28 constructing or contracting for the construction of dikes and levees for  
29 flood protection of the proposed district, acquiring, improving, and  
30 operating public parks, playgrounds, and recreational facilities,  
31 acquiring, purchasing, leasing, owning, erecting, constructing,

1 equipping, operating, or maintaining all or a portion of offstreet motor  
2 vehicle public parking facilities located in the district to serve  
3 business, or, when permitted by this section, contracting with other  
4 sanitary and improvement districts to acquire, build, improve, and  
5 operate public parks, playgrounds, and recreational facilities for the  
6 joint use of the residents of the contracting districts, contracting for  
7 any public purpose specifically authorized in this section, or  
8 combination of any one or more of such purposes, or all of such purposes.  
9 Such owners of real estate as are unknown may also be set out in the  
10 articles as such.

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

24 (2) The articles of association shall further state that the owners  
25 of real estate so forming the district for such purposes are willing and  
26 obligate themselves to pay the tax or taxes which may be levied against  
27 all the property in the district and special assessments against the real  
28 property benefited which may be assessed against them to pay the expenses  
29 that may be necessary to install a sewer or water system or both a sewer  
30 and water system, the cost of water for fire protection, the cost of  
31 grading, changing grade, paving, repairing, graveling, regrading,

1 widening, or narrowing sidewalks and roads, resurfacing or relaying  
2 existing pavement, or otherwise improving any public roads, streets, or  
3 highways within the district, including protecting existing sidewalks,  
4 streets, highways, and roads from floods or erosion which has moved  
5 within fifteen feet from the edge of such sidewalks, streets, highways,  
6 or roads, regardless of whether such flooding or erosion is of natural or  
7 artificial origin, the cost of constructing public waterways, docks, or  
8 wharfs, and related appurtenances, the cost of constructing or  
9 contracting for the construction of dikes and levees for flood protection  
10 for the district, the cost of contracting for water for fire protection  
11 and for resale to residents of the district, the cost of contracting for  
12 police protection and security services, the cost of contracting for  
13 solid waste collection services, the cost of contracting for access to  
14 the facilities and use of the services of the library system of one or  
15 more neighboring cities or villages, the cost of electricity for street  
16 lighting for the public streets and highways within the district, the  
17 cost of installing gas and electric service lines and conduits, the cost  
18 of acquiring, improving, and operating public parks, playgrounds, and  
19 recreational facilities, the cost of acquiring, purchasing, leasing,  
20 owning, erecting, constructing, equipping, operating, or maintaining all  
21 or a portion of offstreet motor vehicle public parking facilities located  
22 in the district to serve business, and, when permitted by this section,  
23 the cost of contracting for building, acquiring, improving, and operating  
24 public parks, playgrounds, and recreational facilities, and the cost of  
25 contracting for any public purpose specifically authorized in this  
26 section, as provided by law.

27 (3) The articles shall propose the names of five or more trustees  
28 who are (a) owners of real estate located in the proposed district or (b)  
29 designees of the owners if the real estate is owned by a limited  
30 partnership, a general partnership, a limited liability company, a  
31 public, private, or municipal corporation, an estate, or a trust. These

1 five trustees shall serve as a board of trustees until their successors  
2 are elected and qualified if such district is organized. No corporation  
3 formed or hereafter formed shall perform any new functions, other than  
4 those for which the corporation was formed, without amending its articles  
5 of association to include the new function or functions.

6 (4) After the articles are signed, the same shall be filed in the  
7 office of the clerk of the district court of the county in which such  
8 sanitary and improvement district is located or, if such sanitary and  
9 improvement district is composed of tracts or parcels of land in two or  
10 more different counties, in the office of the clerk of the district court  
11 for the county in which the greater portion of such proposed sanitary and  
12 improvement district is located, together with a petition praying that  
13 the same may be declared a sanitary and improvement district under  
14 sections 31-727 to 31-762.

15 (5) Notwithstanding the repeal of sections 31-701 to 31-726.01 by  
16 Laws 1996, LB 1321:

17 (a) Any sanitary and improvement district organized pursuant to such  
18 sections and in existence on July 19, 1996, shall, after August 31, 2003,  
19 be treated for all purposes as if formed and organized pursuant to  
20 sections 31-727 to 31-762;

21 (b) Any act or proceeding performed or conducted by a sanitary and  
22 improvement district organized pursuant to such repealed sections shall  
23 be deemed lawful and within the authority of such sanitary and  
24 improvement district to perform or conduct after August 31, 2003; and

25 (c) Any trustees of a sanitary and improvement district organized  
26 pursuant to such repealed sections and lawfully elected pursuant to such  
27 repealed sections or in conformity with the provisions of sections 31-727  
28 to 31-762 shall be deemed for all purposes, on and after August 31, 2003,  
29 to be lawful trustees of such sanitary and improvement district for the  
30 term provided by such sections. Upon the expiration of the term of office  
31 of a trustee or at such time as there is a vacancy in the office of any

1 such trustee prior to the expiration of his or her term, his or her  
2 successors or replacement shall be elected pursuant to sections 31-727 to  
3 31-762.

4 (6)(a) A sanitary and improvement district that meets the  
5 requirements of this subsection shall have the additional powers provided  
6 for in subdivision (b) of this subsection, subject to the approval and  
7 restrictions established by the city council or village board within  
8 whose zoning jurisdiction the sanitary and improvement district is  
9 located and the county board in which a majority of the sanitary and  
10 improvement district is located. The sanitary and improvement district  
11 shall be (i) located in a county with a population less than one hundred  
12 thousand inhabitants, (ii) located predominately in a county different  
13 from the county of the municipality within whose zoning jurisdiction such  
14 sanitary and improvement district is located, (iii) unable to incorporate  
15 due to its close proximity to a municipality, and (iv) unable to be  
16 annexed by a municipality with zoning jurisdiction because the sanitary  
17 and improvement district is not adjacent or contiguous to such  
18 municipality.

19 (b) Any sanitary and improvement district that meets the  
20 requirements of subdivision (6)(a) of this section shall have only the  
21 following additional powers, subject to the approval and restrictions of  
22 the city council or village board within whose zoning jurisdiction such  
23 sanitary and improvement district is located and the county board in  
24 which a majority of the sanitary and improvement district is located.  
25 Such sanitary and improvement district shall have the power to (i)  
26 regulate and license dogs and other animals, (ii) regulate and provide  
27 for streets and sidewalks, including the removal of obstructions and  
28 encroachments, (iii) regulate parking on public roads and rights-of-way  
29 relating to snow removal and access by emergency vehicles, and (iv)  
30 regulate the parking of abandoned motor vehicles.

31 (7) A sanitary and improvement district that meets the requirements

1 of this subsection shall have the power to regulate the discharge of  
2 fireworks as defined under section 28-1241, subject to the approval of  
3 and restrictions established by the county board of the county in which a  
4 majority of the sanitary and improvement district is located. The  
5 sanitary and improvement district shall be (a) located outside of the  
6 extraterritorial zoning jurisdiction of any municipality, (b) unable to  
7 incorporate due to its close proximity to a municipality, and (c) unable  
8 to be annexed by a municipality with zoning jurisdiction because the  
9 sanitary and improvement district is not adjacent or contiguous to such  
10 municipality.

11 (8) ~~(7)~~ For the purposes of sections 31-727 to 31-762 and 31-771 to  
12 31-780, unless the context otherwise requires:

13 (a) Public waterways means artificially created boat channels  
14 dedicated to public use and providing access to navigable rivers or  
15 streams;

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

21 (c) Capital outlay means expenditures for construction or  
22 reconstruction of major permanent facilities having an expected long  
23 life, including, but not limited to, street paving and curbs, storm and  
24 sanitary sewers, and other utilities;

25 (d) Warrant means an investment security under article 8, Uniform  
26 Commercial Code, in the form of a short-term, interest-bearing order  
27 payable on a specified date issued by the board of trustees or  
28 administrator of a sanitary and improvement district to be paid from  
29 funds expected to be received in the future, and includes, but is not  
30 limited to, property tax collections, special assessment collections, and  
31 proceeds of sale of general obligation bonds;



1 (e) General obligation bond means an investment security under  
2 article 8, Uniform Commercial Code, in the form of a long-term, written  
3 promise to pay a specified sum of money, referred to as the face value or  
4 principal amount, at a specified maturity date or dates in the future,  
5 plus periodic interest at a specified rate; and

6 (f) Administrator means the person appointed by the Auditor of  
7 Public Accounts pursuant to section 31-771 to manage the affairs of a  
8 sanitary and improvement district and to exercise the powers of the board  
9 of trustees during the period of the appointment to the extent prescribed  
10 in sections 31-727 to 31-780.

11 Sec. 2. Original section 31-727, Revised Statutes Supplement, 2021,  
12 is repealed.