

LEGISLATIVE BILL 949

Approved by the Governor April 17, 1986

Introduced by Schmit, 23

AN ACT relating to public power districts; to amend sections 70-602, 70-603, 70-604, 70-604.01, 70-604.02, 70-604.05, 70-605, and 70-662, Reissue Revised Statutes of Nebraska, 1943, sections 70-610 and 70-612, Revised Statutes Supplement, 1984, and sections 70-601, 70-604.03, and 70-619, Revised Statutes Supplement, 1985; to state intent; to redefine terms; to change provisions relating to the formation of districts and changes in such districts; to change provisions relating to a district's operating area; to change provisions relating to the election of directors; to change provisions relating to noncompliance with statutes; to change a provision relating to director qualifications; to harmonize provisions; to provide duties for the Revisor of Statutes; to eliminate a provision relating to construction of an act; and to repeal the original sections, and also section 70-604.07, Reissue Revised Statutes of Nebraska, 1943.

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

Section 1. Because of the importance of electrical energy to the present and future development of the state, the effect of the operations of public power districts on both its citizens and economy, and the significant impact of the action or inaction of a public power district not only on its direct and indirect residential ratepayers but also on the population and economy of areas in proximity to the immediate area served, it is hereby declared to be the public policy of this state to provide for and encourage a broad base representation of the citizens of this state on the boards of directors of public power districts.

Sec. 2. That section 70-601, Revised Statutes Supplement, 1985, be amended to read as follows:

70-601. As used in Chapter 70, article 6, and sections 1 and 15 of this act, unless the context otherwise requires:

(1) Public District shall mean a public power district, public irrigation district, or public power and irrigation district, or district shall mean a district organized under Chapter 70, article 6, either as originally organized or as the same may from time to time be altered or extended, and shall include, when applicable, rural public power districts organized under Chapter 70, article 8, and subject to Chapter 70, article 6;

(2) Municipality, when used in relation to the organization or charter of a public power district or to the election of successors to the board of directors of a public power district, shall mean any county, city, incorporated village, or voting precinct in this state; but when used in relation to the election of successors to the board of directors of a public power district, as provided in sections 70-610 to 70-617, municipality or municipalities, comprising such public power district, shall be deemed automatically to be extended so as to include each incorporated city or village to which the public power district shall furnish or sell electrical energy either at retail to the inhabitants of such city or village or at wholesale to the city or village to be resold by it if the sale at wholesale is for more than fifty per cent of the power requirements of the city or village. When the public power district ceases to sell electrical energy at retail to the inhabitants of the city or village, or at wholesale to the city or village, for more than fifty per cent of the power requirements, such city or village shall cease to be a part of the public power district.

(3) Governing body, whenever used in relation to any municipality, shall mean the duly constituted legislative body or authority within and for such municipality as a public corporation and governmental subdivision. When used with reference to a voting precinct, governing body shall mean the county board of the county in which the precinct is located;

(4) Irrigation works shall mean any and all sites, dams, dikes, abutments, reservoirs, canals, flumes, ditches, head gates, machinery, equipment, materials, apparatus, and all other property used or useful for the storage, diversion, damming, distribution, sale, or furnishing of water supply or storage of water for irrigation purposes, or for flood control, or used or useful for flood control, whether such works be operated in conjunction with or separately from electric light and power plants or systems;

(5) Power shall include any and all electrical

energy generated, distributed, bought, or sold for purposes of lighting, heating, power, and any and every other useful purpose whatsoever; and

(6) Plant or system shall include any and all property owned, used, or operated, or useful for operation, in the generation by means of water power, steam, or other means, or the transmission, distribution, sale, or purchase of electrical energy for any and every useful purpose, including any and all irrigation works, as defined herein, which may be owned, used, or operated in conjunction with such power plant or system.

Sec. 3. That section 70-602, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-602. A ~~public power~~ district may be created as hereinafter provided, and when so created, shall be a public corporation and political subdivision of this state, and may sue or be sued in its corporate name. A ~~public power~~ district may be composed of the territory of one or more municipalities as defined in subsection (2) of section 70-601, whether contiguous or otherwise, ~~but no city, village, or voting precinct shall be divided in the formation of a public power district.~~ Nothing in Chapter 70, article 6, shall be construed to prevent the organization of a district within, or partly within, the territorial boundaries of another district organized hereunder, so long as the plants, systems, and works, the operation of the same, the exercise of powers, and the assumption of duties and responsibilities, of or on the part of one district, do not nullify, conflict with, or materially affect those of, or on the part of, another district.

Sec. 4. That section 70-603, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-603. (1) A ~~public power district, or public irrigation district, or public power and irrigation district,~~ may be organized and may amend its charter under the provisions of Chapter 70, article 6, by the filing in the office of the Nebraska Power Review Board of a petition in compliance with requirements set forth in ~~sections 70-604 to 70-605~~ Chapter 70, article 6, and receiving the approval of the petition by the Nebraska Power Review Board.

(2) The chartered territory of each district organized pursuant to Chapter 70, article 6, and engaged in the operation of electric generation, transmission, or distribution facilities, or any combination thereof,

in more than fifty counties in this state shall include the entire state except (a) any county which has a population exceeding seventy-five thousand inhabitants in which the district does not sell power and energy directly to the largest incorporated municipality in such county and (b) any city of the first class, primary class, or metropolitan class (i) in which the district does not sell power and energy at retail, (ii) for which the district does not sell power and energy to another district or municipality for resale in such first-class, primary-class, or metropolitan-class city, or (iii) with which the district does not have a direct electrical interconnection and an interconnection agreement pursuant to which such city may purchase power and energy from such district.

(3) For purposes of this section, the phrase sell power and energy directly to the largest incorporated municipality shall mean to sell to a municipally owned and operated electric utility system.

(4) In order to establish charter boundary lines coincident with voting precinct lines, a district described in subsection (2) of this section may exclude from its chartered territory any precinct within or partly within any city which, pursuant to this section, is to be excluded from the chartered territory of the district. Any customer whose principal residence is not in the chartered territory but which residence is being served at retail by such district may be certified pursuant to section 70-604.03 to vote for and be eligible to hold office as a member of the board of directors of such district.

(5) The chartered territory of each district organized pursuant to Chapter 70, article 6, and engaged in the operation of electric generation, transmission, or distribution facilities, or any combination thereof, in fifty counties or less in this state shall include the operating area of the district and such other areas as may be authorized by other provisions of Chapter 70, article 6.

Sec. 5. That section 70-604, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-604. The petition shall be addressed to the Nebraska Power Review Board, and state in substance that it is the intent and purpose of the petitioners by such petition to create or amend the charter of a district under the provisions of Chapter 70, article 6, subject to approval by the Nebraska Power Review Board. The petition ~~must~~ shall state and contain:

(1) The name of the proposed district, which name shall contain, if the district is to engage or is engaged in the electric light and power business, the words public power district. If the proposed district is to engage or is engaged in the business of owning and operating irrigation works, the name shall include the words public irrigation district, except that ~~PROVIDED~~, if electric light and power are the major business of such district, it need not include these words in its name. A district may be organized to engage only in the electric light and power business, only in the business of owning and operating irrigation works, or to engage in both of such businesses;

(2) The names of the municipalities constituting the proposed district; and the boundaries thereof of such district;

(3) A general description of the nature of the business which the district intends to engage in; and, for the original creation of a district, the location and method of operation of the proposed power plants and systems or irrigation works of the district;

(4) The location of the principal place of business of the proposed district;

(5) A statement that the proposed district shall not have the power to levy taxes nor to issue general obligation bonds;

(6) When the Nebraska Power Review Board finds from the evidence that subdivisions, from which directors are to be elected or appointed, are necessary or desirable, such subdivisions shall be of substantially equal population, except that no district shall be required to redistrict its subdivisions for purposes of equalizing population more frequently than every ten years following publication of the most recent federal decennial census; and

(7) Except in a public power district having within its proposed boundaries twenty-five or more cities or villages, the names and addresses of the members of the board of directors of the district, not less than five nor more than twenty-one, who shall serve or continue to serve until their successors are elected and qualified. In any proposed district having within its boundaries twenty-five or more cities and villages, (a) the original petition for creation shall set forth the number of directors of the district and shall provide that the board of directors, to serve until their successors are elected and qualified, shall be appointed by the Governor within thirty days after the approval of the formation of the district and (b) a

petition to amend a charter shall set forth the names and addresses of the members of the board of directors of the district. In the petition the directors named or to be appointed by the Governor shall be divided as nearly as possible into three equal groups, the members of the first group to hold office until their successors, elected at the first general state election thereafter, shall have qualified, the members of the second group to hold office until their successors, elected at the second general state election thereafter, shall have qualified, and the members of the third group to hold office until their successors, elected at the third general state election thereafter, shall have qualified. The group to which each proposed director belongs shall be designated in the petition or, for an original petition in case the district has within its proposed boundaries twenty-five or more cities and villages, shall be set forth in the order of appointment by the Governor.

Sec. 6. That section 70-604.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-604.01. (1) Except as the same may be further limited or expanded by requirements in Chapter 70, article 6, the chartered territory of ~~each public power district or public power and irrigation any~~ district, organized pursuant to and existing by virtue of, or subject to the provisions of, Chapter 70, article 6, ~~after creation of a district, must~~ shall include the area in this state within which ~~each such~~ district renders electric service of the nature defined in section 70-604.02 and termed its operating area. There may be included, within the chartered area of ~~each such~~ district, areas which are outside the operating area as defined in ~~this act section 70-604.02,~~ but which inclusion is nevertheless authorized by other sections of Chapter 70, article 6.

(2) Subject to the requirements of section 70-662 and the approval of the Nebraska Power Review Board in accordance with sections 70-663 and 70-664, any district organized pursuant to Chapter 70, article 6, and engaged in the operation of electric generation, transmission, or distribution facilities, or any combination thereof, in fifty counties or less in this state may, in the discretion of the board of directors of such district and upon a finding by the board of directors of such district that the inclusion or exclusion thereof would be consistent with the best interests of the district and its customers, either

include within or exclude from the chartered area all municipalities which have a population of less than one thousand five hundred inhabitants and which are within a county where such district provides electric service but are not otherwise in such district's operating area.

Sec. 7. That section 70-604.02, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-604.02. The operating area of a district, for purposes of ~~this act~~ establishing its chartered territory, is the geographical area in this state comprising:

(1) The district's retail distribution area, which is that area within which the district delivers electricity by distribution lines directly to those of its customers who consume the electricity; and

(2) The district's wholesale distribution area, which is the aggregate of those retail distribution areas of the public electric utilities which purchase electricity either directly or indirectly from the district for resale ~~either directly or indirectly~~ to their retail customers if the selling district has the responsibility, in whole or in part, of charging for, and delivery of, the electricity, by transmission lines, to the retail public electric utility distribution lines at one or more points of delivery pursuant to a power contract to deliver firm power and energy and having a an original term of five years or more. To the extent that a selling district leases its plant or systems to another district to be operated by such other district, or produces electricity which other districts may purchase, and such other districts provide or operate the transmission lines to carry such electricity from the producer to such other districts, the retail and wholesale distribution areas of such other districts are not a part of the operating area of the selling district by reason alone of such leasing or production.

Sec. 8. That section 70-604.03, Revised Statutes Supplement, 1985, be amended to read as follows:

70-604.03. (1) To establish boundary lines of an operating area coincident with voting precinct or county boundary lines, it shall be permissible to eliminate area from, or add area to, the operating area ~~relatively minor areas containing a limited number of retail customers served~~, so that retail distribution areas are identified by reference to whole voting precincts and wholesale distribution areas are

identified by reference to whole counties.

(2) Voting After the formation of a district; voting or election precincts may be divided, for the purposes of establishing chartered territory and district elections, by amending the charter as prescribed in sections 70-662 to 70-665. A district may divide a voting or election precinct whenever either (a) an excessive number of ratepayers are excluded from voting, or (b) an excessive number of nonratepayers are allowed to vote. The description of such divided precincts may be given by section, township, and range and shall be subject to the approval of the Secretary of State.

(3) Any retail customer whose principal residence is being served by a public power district and whose principal residence is not in the chartered territory of such district may request the district in writing at least fifteen days prior to the certification date for such district, as such date is provided in section 70-611, for the right for each registered voter residing at such residence to vote for, and be eligible to hold office as a member of, the board of directors of such district. The secretary of the district shall cause notice to be given to each such retail customer which reasonably prescribes the manner in which the retail customer may request such right to vote. The notice shall be given by first-class mail and may be included as part of the regular billing statement mailed to a customer, if such billing statement is sent by first-class mail to such retail customer, which mail shall be conspicuously marked as to its importance. Such notice shall be given at least sixty days prior to the time the election certification and publication information is transmitted to the Secretary of State pursuant to section 70-611. The district shall certify to the Secretary of State the names of all such retail customers for whom such request to vote has been made along with identification of the voting or election precincts wherein in which such retail customers reside, and each such retail customer shall be a qualified elector and qualified to hold office as a member of the board of directors, if otherwise qualified to vote.

(4) Any district dividing a precinct pursuant to subsection (2) of this section or certifying retail customers pursuant to subsection (3) of this section shall transmit all necessary information relevant to such division or certification along with the election certification and publication provided for in section 70-611. All additional election costs caused by such

division or certification shall be due and payable by the district within thirty days after the receipt of a statement from the county.

Sec. 9. That section 70-604.05, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-604.05. When it appears that a district or districts ~~is or~~ are in noncompliance with the provisions of Chapter 70, article 6, the corporate amendments required to ~~conform~~ comply shall be made generally in accordance with the procedures and requirements contained in Chapter 70, article 6, ~~7 as well as the additional provisions of this act.~~ In the absence of voluntary amendment anytime after one year from July 21, 1967 subsequent to six months after the publication of the first federal decennial census published after the effective date of this act, any person residing in the geographical area of alleged noncompliance, or any district or any two or more districts, may file a complaint with the Nebraska Power Review Board against one or more other districts alleging the area of noncompliance of such other districts, whereupon the Nebraska Power Review Board shall issue an order directed to the alleged noncomplying district granting a hearing and requiring it to show cause why an amended petition for creation eliminating such noncompliance should not be filed for approval. Thirty-three days' notice of hearing, which includes mailing time, shall be given to such alleged noncomplying district by either registered or certified mail. The alleged noncomplying district may appear by answer or by petition for amended petition for creation of the district. The burden of proof of noncompliance shall be upon the complainant and of proposed amendments upon the ~~proposer~~ petitioner. If the Nebraska Power Review Board finds that an amended petition for creation should be made, and the alleged noncomplying district has not proposed an acceptable one, the Nebraska Power Review Board shall frame the amendment to be approved after continuing the hearing to receive such evidence as may be offered by the parties having appeared before the Nebraska Power Review Board regarding the contents of the amendment to be framed by the Nebraska Power Review Board.

The members of the board of directors of any noncomplying district, including any district failing to comply with an amended petition as framed by the Nebraska Power Review Board, shall each be liable for a civil penalty of fifty dollars for each day of noncompliance which continues after thirty days

following final adjudication of noncompliance. Such penalty shall be recovered for the benefit of the Permanent School Fund in an action brought by the Attorney General in the district court for Lancaster County. Service of summons in such action may be had anywhere in the state. No member of any such board shall receive any compensation or reimbursement of expenses during the period for which he or she is liable to such penalty, nor shall he or she be eligible as a candidate for reelection.

Sec. 10. That section 70-605, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-605. The petition for the original creation of a district shall be signed by fifteen per cent of the qualified electors of the municipality or municipalities as defined in subsection (2) of section 70-601, whose combined territory composes the territory of the proposed district. If the municipality be is a county or voting precinct, the whole number of votes cast for Governor at the general election next preceding the filing of the petition shall be the basis on which the number of signatures to the petition shall be based. If the municipality be is a city or incorporated village, the number of signatures required to the petition shall be based on the total number of votes cast at its general municipal election next preceding the filing of the petition. On each petition sheet, opposite the signature of each petitioner, shall be stated the name of the municipality of which he or she is an elector and his or her post office address. To each sheet for petitioners' signatures shall be attached a full and correct copy of the petition.

Sec. 11. That section 70-610, Revised Statutes Supplement, 1984, be amended to read as follows:

70-610. (1) After the selection of the original board of directors of a district as provided for in sections 70-604 and 70-609, their successors shall, except as provided in this section, be nominated and elected and shall take office, subject to the provisions of Chapter 70, article 6. Registered voters residing within the divided or undivided voting precincts except these areas specifically excluded in the chartered territory, or and registered voters duly certified in accordance with section 70-604.03 shall be qualified electors of such public power district, and shall be eligible to cast ballots for the directors, and shall be qualified to hold office as a member of the

board of directors.

Any person filing nomination papers as a candidate for director shall file such nomination papers as provided in Chapter 32. A candidate for director shall be a qualified elector and shall reside residing within the chartered territory or subdivision as defined in the charter of the district or a retail customer duly certified in accordance with subsection (3) of section 70-604.03.

In districts receiving annual gross revenue of less than forty million dollars the candidates for district director shall not appear on the primary ballot. Candidates for directors of such districts shall file applications for nomination with the Secretary of State on or before August 1 of each general election year. In such districts the candidates receiving the highest number of votes at the general election shall be declared duly elected to the offices for which they were candidates.

In those districts receiving annual gross revenue of forty million dollars or more, there shall be a treasurer's receipt from the candidate's county of residence accompanying the application for nomination in the amount of twenty-five dollars, and in those districts receiving annual gross revenue of less than forty million dollars, there shall be a treasurer's receipt from the candidate's county of residence in the amount of ten dollars.

(2) Such nomination and election of directors, as referred to in subsection (1) of this section, shall be by separate nonpartisan ballot. If, after a primary election in a district receiving annual gross revenue of forty million dollars or more, there shall be a vacancy on the ballot for members of board of directors through any cause whatever, the person polling the third highest in the primary shall be the candidate, and if two vacancies exist then the third and fourth highest in the primary shall be the candidates. If there were no third and fourth highest in the primary, then candidates may file by petition, by securing signatures of ten per cent of the legal voters voting for Governor or President within the district at the preceding general election, and if more persons file than there are places vacant, the candidates shall be chosen by drawing for place. Any such petition must be filed with the Secretary of State not less than sixty days prior to the general election. The petition shall must show the name and address of the candidate, the office to be filled, and the names and addresses of the signers, the truth of

which shall ~~must~~ be shown by the circulator or circulators thereof by the affidavit filed with such petition. In those districts receiving annual gross revenue of forty million dollars or more, there shall be a treasurer's receipt from the candidate's county of residence accompanying the petition in the amount of twenty-five dollars, and in those districts receiving annual gross revenue of less than forty million dollars, there shall be a treasurer's receipt from the candidate's county of residence in the amount of ten dollars. A vacancy shall be deemed to exist whenever any person shall cease for any reason to be a candidate for the office of member of board of directors for which he or she was nominated in the primary or when no person was nominated for such office in the primary. It shall be the duty of all state and local officers and officers of election to perform all duties imposed upon them by the laws of this state pertaining to primary and general elections, insofar as applicable to the election of directors of districts organized under the provisions of Chapter 70, article 6. Each public power district shall pay for the election expenses of nominating and electing its directors as provided in this section. Except as provided in this section, the district shall pay to each county wherein in which the name of one or more candidates appears upon the ballot as follows: Counties having a population of less than three thousand inhabitants, seventy-five dollars; counties having a population of three thousand but less than nine thousand inhabitants, one hundred fifty dollars; counties having a population of nine thousand but less than fourteen thousand inhabitants, two hundred dollars; counties having a population of fourteen thousand but less than twenty thousand inhabitants, two hundred fifty dollars; counties having a population of twenty thousand but less than sixty thousand inhabitants, three hundred dollars; counties having a population of sixty thousand but less than one hundred thousand inhabitants, fifteen hundred dollars; counties having a population of one hundred thousand but less than two hundred thousand inhabitants, three thousand dollars; and counties having a population of two hundred thousand inhabitants or more, fifty-five hundred dollars. The population of a county for purposes of this section shall be the population as determined by the most recent federal decennial census.

When the name of one or more candidates of a district appears on ballots in less than one half of the precincts in a county, the cost to the district shall be reduced fifty per cent. When the name of one or more

candidates of a district appears on ballots in less than one-tenth of the precincts in a county, there shall be no cost to the district. Election expenses shall be due and payable by each public power district within thirty days after receipt of a statement from the county.

Sec. 12. That section 70-612, Revised Statutes Supplement, 1984, be amended to read as follows:

70-612. Subject to the provisions of Chapter 70, article 6, and subject to the approval of the Nebraska Power Review Board, the board of directors of a public power district may amend the petition for its creation to provide for the division of the territory of such district into two or more subdivisions for the nomination and election of some or all of the directors. Each subdivision shall be composed of one or more voting precincts, or divided voting precincts, and the total number of electors in population of each such subdivision shall be approximately the same. Two or more subdivisions may be combined for election purposes, and members of the board of directors to be elected from such combined subdivisions may be nominated and elected at large when not less than seventy-five per cent of the population of the combined subdivisions; PROVIDED, that when no less than ninety per cent of the population of each of two or more such subdivisions is within the corporate limits of any city, members of the board of directors may be nominated and elected at large from such city; AND PROVIDED FURTHER, that in the event a district formed comprises three or more counties, and is (1) solely engaged in furnishing electric light and power to and more than fifty per cent of its customers are rural customers, or (2) engaged in furnishing electric light and power and in the business of owning and operating irrigation works, then and in that event such subdivisions may be formed by following county boundary lines without regard to population if in the judgment of the Nebraska Power Review Board the interests of the rural users of electricity or of users of irrigation water service in such district will not be prejudiced thereby.

Sec. 13. That section 70-619, Revised Statutes Supplement, 1985, be amended to read as follows:

70-619. The corporate powers of the district shall be vested in and exercised by the board of directors of the district. No person shall be qualified to hold office as a member of the board of directors unless he or she shall be an elector of such chartered

area territory or, if such chartered area be territory is subdivided for election purposes as provided in sections 70-610 to 70-617, of the subdivision of which he or she shall be an elector, or of one of the municipalities combined subdivisions from which directors are to be elected at large as provided in section 70-612, or a retail customer duly certified in accordance with subsection (3) of section 70-604.03.

Within thirty days after a general election at which a director has been elected to the board of directors of a district, the district shall apply to the Secretary of State for a certificate of qualification for the director to serve the district. The application for such certificate shall be made in writing, signed by the president of the district, and attested to by the secretary of the district and shall state that the director has been duly elected at a general election and resides in the chartered territory of the district or is eligible to serve as provided in sections 70-604.03 and 70-610. Upon receipt of such application, the Secretary of State shall investigate whether or not the newly elected director does in fact reside in the chartered territory of the district or is eligible to serve as provided in sections 70-604.03 and 70-610, and if he or she is a bona fide resident or is eligible to serve, the Secretary of State shall issue a certificate of qualification to be served upon the district confirming the qualification of the newly elected director to serve as the director. If the Secretary of State determines the newly elected director does not reside in the chartered territory of such district and is not eligible to serve as provided in sections 70-604.03 and 70-610, the Secretary of State shall notify the district of the lack of qualification of such director, and he or she shall be ineligible to serve as a director of the district. A vacancy on the board of directors shall be declared to exist, and such vacancy shall be filled as provided in section 70-615.

No person who is a full-time or part-time employee of the district shall be eligible to serve as a member of the board of directors unless such person resigns or assumes an unpaid leave of absence for the term as a member. The district shall grant such leave of absence when requested by any employee for the purpose of the employee serving as a member of the board of directors. No person shall be qualified to be a member of more than one such district board, except that a director of a rural public power district may serve as a director of another public power district formed or

organized for the purpose of generating electric energy or transmitting electric energy exclusively for resale to some other public power districts, rural electric cooperatives, and membership associations or municipalities. No member of a governing body of any one of the municipalities within the areas of the district shall be qualified to serve on the original board of directors under the provisions of sections 70-603 to 70-609.

Sec. 14. That section 70-662, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

70-662. (1) A petition for the creation of a district organized under or subject to the provisions of Chapter 70, article 6, may be amended, as provided in this section. Any district, now existing or hereafter created under or subject to the provisions of Chapter 70, article 6, may file with the Nebraska Power Review Board a petition to amend its charter to eliminate, detach, or reduce, and area from or add to, increase, or enlarge its chartered territory as required or authorized by Chapter 70, article 6, or subdivide area and territory from within the boundaries of such district, if such district does not own or operate any electric light and power plants, lines or systems, or irrigation works within such territory to be so eliminated or detached. Any such district may add to, increase, enlarge its area and territory, or may amend its charter to provide for a change in the general description of the nature of the business in which the district is engaged and the location and method of operation of the power plants and systems or irrigation works of the district proposed in its charter, as long as the plants, systems, and works, the operation of the same, the exercise of powers, and the assumption of duties and responsibilities, of or on the part of such district, do not nullify, conflict with, or materially affect those of, or on the part of, any other district.

(2) Any such district, ~~referred to in subsection (1) of this section,~~ may amend its charter to provide for a change in its name or a change in the location of its principal place of business, and may reduce or increase the number of members of its board of directors. No such elimination or detachment, ~~or~~ increase or enlargement, or subdivision of the territory of a district, ~~or~~ change in its principal place of business, its name, or the number of members of its board of directors, or change in the general description of the nature of its business or methods of operation,

shall occur unless authorized by the affirmative vote of three-fifths of all the directors of the district involved.

Sec. 15. In order to provide for orderly compliance with Chapter 70, article 6, as amended by this legislative bill, districts existing on the effective date of this act are hereby deemed to be properly constituted and incorporated and their directors duly elected and, notwithstanding any other provision of law, a district shall not be required to amend its charter in order to be in such compliance until six months after the publication of the first federal decennial census published after the effective date of this act. A director holding office at the time of any such amendment to a charter may continue to serve until the expiration of his or her term of office if such director meets the qualifications of section 70-619 for holding office under the charter as so amended.

Sec. 16. The Revisor of Statutes shall assign sections 1 and 15 of this act to Chapter 70, article 6, and references to Chapter 70, article 6, shall be construed to include sections 1 and 15 of this act.

Sec. 17. That original sections 70-602, 70-603, 70-604, 70-604.01, 70-604.02, 70-604.05, 70-605, and 70-662, Reissue Revised Statutes of Nebraska, 1943, sections 70-610 and 70-612, Revised Statutes Supplement, 1984, and sections 70-601, 70-604.03, and 70-619, Revised Statutes Supplement, 1985, and also section 70-604.07, Reissue Revised Statutes of Nebraska, 1943, are repealed.