

LEGISLATIVE BILL 604

Approved by the Governor April 12, 1996

Introduced by Schrock, 38; Beutler, 28; Dierks, 40; Matzke, 47; Wehrbein, 2; Wickersham, 49

AN ACT relating to political subdivisions; to amend sections 79-402, 79-402.15, 79-701, 79-1004, 79-1005, and 79-1108, Reissue Revised Statutes of Nebraska, section 14-554, Revised Statutes Supplement, 1994, sections 23-1601 and 79-1040, Revised Statutes Supplement, 1995, sections 79-403 and 79-1004.04, Reissue Revised Statutes of Nebraska, as amended by sections 205 and 345, respectively, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, and section 228, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996; to change provisions relating to county, city, and school district treasurers; to provide for the distribution of funds; to change provisions relating to affiliation of and transfer of property between school districts; to change provisions relating to certain petitions for dissolution of school districts as prescribed; to harmonize provisions; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 14-554, Revised Statutes Supplement, 1994, is amended to read:

14-554. (1) The county in which any city of the metropolitan class is located shall receive as full compensation for collection and disbursement of all funds of such city an amount equal to one percent of all money collected from taxation. Such fee shall be paid monthly out of the general funds of the city.

(2) Such county shall receive as full compensation for the collection and disbursement of all money from taxation and pursuant to section 77-3523 coming to the board of education an amount equal to one percent thereof, to be paid out of the general fund, ~~7 less the sum of one thousand dollars per annum; such sum to be payable in equal monthly installments to the county treasurer as salary for services as ex officio treasurer of the board of education.~~

(3) Such county shall receive as full compensation for the collection and disbursement of the funds of the metropolitan utilities district an amount equal to one percent of all money collected by the county treasurer.

(4) The county treasurer, as ex officio city treasurer, shall receive as additional salary and compensation for the performance of his or her duty as such officer the sum of one thousand dollars per annum from the city to be payable quarterly from the funds of the city.

Sec. 2. Section 23-1601, Revised Statutes Supplement, 1995, is amended to read:

23-1601. (1) It is the duty of the county treasurer to receive all money belonging to the county, from whatsoever source derived, and all other money which is by law directed to be paid to him or her. All money received by the county treasurer for the use of the county shall be paid out by him or her only on warrants issued by the county board according to law, except when special provision for payment of county money is otherwise made by law.

(2) The county treasurer shall prepare and file the required annual inventory statement of county personal property in his or her custody or possession, as provided in sections 23-346 to 23-350.

(3) The county treasurer, at the direction of the city or village, shall invest the bond fund money collected for each city or village located within each county. The bond fund money shall be invested by the county treasurer and any investment income shall accrue to the bond fund. The county treasurer shall notify the city or village when the bonds have been retired.

(4) On or before the fifteenth day of each month, the county treasurer (a) shall pay to each city or village and school district located within the county the amount of all funds collected or received for the city or village and school district the previous calendar month, including bond fund money when requested by any city of the first class under section 16-731, and (b) on forms provided by the Auditor of Public Accounts, shall include with payment a statement indicating the source of all such funds received or collected and an accounting of any expense incurred in the collection of ad

valorem taxes, except that the Auditor of Public Accounts shall, upon request of a county, approve the use and reproduction of a county's general ledger or other existing forms if such ledger or other forms clearly indicate the sources of all funds received or collected and an accounting of any expenses incurred in the collection of ad valorem taxes.

(5) Notwithstanding subsection (4) of this section, the county treasurer of any county in which a city of the metropolitan class or a Class V school district is located shall pay to the city of the metropolitan class and to the Class V school district on a weekly basis the amount of all current year funds as they become available for the city or the school district.

Sec. 3. Section 228, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, is amended to read:

Sec. 228. (1)(a) Beginning January 1, 1992, any school district boundaries changed by the means provided by Nebraska law, including the methods provided by the Reorganization of School Districts Act and sections 30 to 32, 151 to 153, 155, 161 to 170, 177, 179, 180, 201 to 206, 208 to 217, 219, 221, 227, 229, 244, 247, and 351 of this act but excluding the method provided by sections 156, 222 to 224, and 302 of this act, shall be made only upon an order issued by the county superintendent. If the boundaries so changed are in more than one county, such order shall be issued jointly by the county superintendents of all counties involved. The county superintendent or county superintendents shall not issue an order changing boundaries relating to affiliation of school districts if twenty percent or more of any tract of land under common ownership which is proposing to affiliate is not contiguous to the high school district with which affiliation is proposed unless (i) one or more resident students of the tract of land under common ownership has attended the high school program of the high school district within the immediately preceding ten-year period or (ii) approval of the petition or plan would allow siblings of such resident students to attend the same school as the resident students attended.

(b) The order issued by the county superintendent or county superintendents shall be certified to the county clerk of each county in which boundaries are changed and shall also be certified to the State Department of Education. Such order shall be issued no later than June 1 and shall have an effective date no later than August 1 of the same year. For purposes of the school district boundary map provided by the county superintendent pursuant to section 23-3306, determining school district counts pursuant to sections 277 and 331 of this act, and calculating state aid allocations pursuant to the Tax Equity and Educational Opportunities Support Act, any change in school district boundaries with an effective date between June 1 and August 1 of any year shall be considered effective June 1 of such year.

(2) Unless otherwise provided by state law or by the terms of an affiliation or reorganization plan or petition which is consistent with state law, all assets, including budget authority as provided in sections 669 to 676 of this act, and liabilities, except bonded obligations, of school districts merged, dissolved, or annexed shall be transferred to the receiving district or districts on the basis of the proportionate share of assessed valuation received at the time of reorganization. When a Class II, III, IV, or V school district becomes a Class I school district:

(a) Which becomes part of a Class VI district which offers instruction in grades seven through twelve, 44.8276 percent of the Class II, III, IV, or V district's assets and liabilities shall be transferred to the new Class I district and the remainder shall be transferred to the Class VI district or districts of which the Class I district becomes a part on the basis of the proportionate share of assessed valuation each high school district received at the time of such change in class of district; or

(b) Which is affiliated or becomes part of a Class VI district which offers instruction in grades nine through twelve, 61.3793 percent of the Class II, III, IV, or V school district's assets and liabilities shall be transferred to the new Class I district and the remainder shall be transferred to the Class VI district or districts of which the Class I district becomes a part and to the high school district or districts with which the Class I district is affiliated on the basis of the proportionate share of assessed valuation each high school district received at the time of such change in class of district.

Sec. 4. Section 79-402, Reissue Revised Statutes of Nebraska, is amended to read:

79-402. (1) The county superintendent shall create a new school district from other districts, change the boundaries of any district, or affiliate a Class I district or portion thereof with one or more existing Class II, III, IV, or V districts upon receipt of petitions signed by sixty percent of the legal voters of each district affected, except that petitions

shall contain signatures of at least sixty-five percent of the legal voters of each district affected if the proposed change has been disapproved by both the state and county committees for school district reorganization or, in the case of affiliation, if the petition has been disapproved by the county committee pursuant to sections 79-402.14 and 79-402.15. When area is added to a Class VI district or when a Class I district which is entirely or partially within a Class VI district is taken from the Class VI district, the Class VI district shall be deemed to be an affected district.

Any petition of the legal voters of a Class I district in which no city or village is situated which is commenced after January 1, 1996, and proposes the dissolution of the Class I district and the attachment of a portion of it to two or more districts shall require signatures of more than fifty percent of the legal voters of such Class I district. If any petition is denied on or after March 15, 1996, due to the fact that it was signed by fewer than sixty percent of the legal voters of such Class I district, the county superintendent of schools of the county in which the Class I district is situated shall reconsider such petition on or before May 15, 1996. If the county superintendent determines that such petition contains valid signatures of more than fifty percent of the legal voters of such Class I district, the county superintendent shall grant the petition.

(2)(a) Petitions proposing to change the boundaries of existing school districts through the transfer of a parcel of land, not to exceed six hundred forty acres, may be acted upon and so transferred by order of the county superintendent when the petitions involve the transfer of land between Class I, II, III, IV, or V school districts or when there would be an exchange of parcels of land between Class I, II, III, IV, or V school districts if the petitions have the approval of at least sixty-five percent of each school board or board of education.

(b) The county superintendent shall not change boundaries pursuant to this section relating to affiliation of school districts if twenty percent or more of any tract of land under common ownership which is proposing to affiliate is not contiguous to the high school district with which affiliation is proposed unless (i) one or more resident students of the tract of land under common ownership has attended the high school program of the high school district within the immediately preceding ten-year period or (ii) approval of the petition or plan would allow siblings of such resident students to attend the same school as the resident students attended.

(3)(a) Petitions proposing to create a new school district, to change the boundary lines of existing school districts, to create an affiliated school system, or to affiliate a Class I district in part and to join such district in part with a Class VI district, any of which involves the transfer of more than six hundred forty acres, shall, when signed by at least sixty percent of the legal voters in each district affected, be submitted to the county committee for school district reorganization. In the case of a petition for affiliation or a petition to affiliate in part and in part to join a Class VI district, the county committee shall review the proposed affiliation subject to sections 79-402.14 and 79-402.15. The county committee shall, within forty days, review and approve or disapprove such proposal and submit it to the state committee for school district reorganization, except that an affiliation petition or a petition to affiliate in part and in part to join a Class VI district shall not be submitted to the state committee and the county committee's approval or disapproval shall be final.

(b) The state committee shall, within forty days, review and approve or disapprove the proposal and return it with any recommendations deemed advisable to the county committee. The county committee shall, within fifteen days of receipt of the returned proposal, consider the action of the state committee and determine whether to give final approval or disapproval to the proposal.

(c) The county committee shall, within fifteen days of receipt of the returned proposal or of the committee's final approval or disapproval of an affiliation petition or a petition to affiliate in part and in part to join a Class VI district, advertise and hold a public hearing at which the recommendations and action of the state and county committees are presented to the legal voters in attendance. The county committee shall hold the petitions for ten days following the hearing at the end of which time the committee shall file the petitions with the county superintendent.

(d) The county superintendent shall, within fifteen days, advertise and hold a hearing to determine the validity and sufficiency of the petitions. Upon determination, as a result of the hearing, that sufficient valid signatures are contained in the respective petitions, the county superintendent shall proceed to effect the changes in district boundary lines as set forth in the petitions.

(4) Any person adversely affected by the changes made by the county superintendent may appeal to the district court of any county in which the real estate or any part thereof involved in the dispute is located. If the real estate is located in more than one county, the court in which an appeal is first perfected shall obtain jurisdiction to the exclusion of any subsequent appeal.

(5) A signing petitioner shall be permitted to withdraw his or her name therefrom and a legal voter shall be permitted to add his or her name thereto at any time prior to the end of the ten-day period when the county committee files such petitions with the county superintendent. Additions and withdrawals of signatures shall be by notarized affidavit filed with the county superintendent.

Sec. 5. Section 79-402.15, Reissue Revised Statutes of Nebraska, is amended to read:

79-402.15. (1) A county committee for school district reorganization, when considering a petition or a plan to affiliate a Class I school district or portion thereof with one or more Class II, III, IV, or V school districts, shall consider the traditional high school attendance patterns of resident students of such Class I district. The county committee may reject a petition or plan to affiliate only when ~~(1) no~~ for the reasons stated in subsection (2) of this section.

(2) The county committee may reject a petition or plan for affiliation when:

(a) No Class I district resident student has attended the high school program of the Class II, III, IV, or V district with which an affiliation is proposed during the immediately preceding ten-year period;

(b) The ~~7~~ ~~(2)~~ the affiliation would require the construction of new high school facilities; or

(c) The ~~7~~ or ~~(3)~~ the affiliation would result in assignment of less than forty percent of the valuation of the Class I district to a high school district which over the immediately preceding five-year period has educated eighty percent or more of the students from such Class I district.

(3) The county committee shall reject a petition or plan for affiliation when twenty percent or more of any tract of land under common ownership which is proposing to affiliate is not contiguous to the high school district with which affiliation is proposed. The county committee shall not reject a petition or plan under this subsection if (a) one or more resident students of the tract of land under common ownership has attended the high school program of the high school district within the immediately preceding ten-year period or (b) approval of the petition or plan would allow siblings of such resident students to attend the same school as the resident students attended.

(4) A rejected ~~7~~ The petition shall stand rejected notwithstanding that it has been signed by over sixty-five percent of the legal voters of the petitioning Class I district.

Sec. 6. Section 79-403, Reissue Revised Statutes of Nebraska, as amended by section 205, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, is amended to read:

~~79-403-~~ (1) Any freeholder or freeholders, person in possession or constructive possession as vendee pursuant to a contract of sale of the fee, holder of a school land lease under section 72-232, or entrant upon government land who has not yet received a patent therefor may file a petition with a board consisting of the county superintendent, county clerk, and county treasurer, asking to have any tract of land described in the petition set off from a Class I, II, III, or VI district in which it is situated and attached to ~~some other a~~ contiguous school district in the petitioner's county of residence or a contiguous school district in a county adjoining the petitioner's county of residence for the purpose of providing a better education for children of school age residing on the land to be transferred. In order for the petitioner to prove that the petition is in the best educational interests of such children, the petitioner shall show a difference in the state accreditation of the schools involved.

Petitions requesting transfers of property across county lines shall be addressed jointly to the county superintendents of the counties concerned, and the petitions shall be acted upon by the county superintendents, county clerks, and county treasurers of the counties involved as one board, with the county superintendent of the county from which the land is sought to be transferred acting as chairperson of the board.

The petition shall state the reasons for the proposed change and shall show with reference to the land of each petitioner: (a) That (i) the land described in the petition is either owned by the petitioner or petitioners or that he, she, or they hold a school land lease under section

72-232, are in possession or constructive possession as vendee under a contract of sale of the fee simple interest, or have made an entry on government land but have not yet received a patent therefor and (ii) such tract of land includes all contiguous land owned or controlled by each petitioner; (b) that the district to which the land is to be attached is a contiguous school district and is located in the petitioner's county of residence or an adjoining county a county adjoining the petitioner's county of residence; (c) that the land proposed to be attached has children of school age who have resided on such land with their parents or guardians for not less than forty days prior to filing the petition; and (d) that such petition is approved by a majority of members of the school board or board of education of the district to which such land is sought to be attached.

Notice of the filing of the petition and of the hearing on such petition before the board shall be given at least ten days prior to the date of such hearing by one publication in a legal newspaper of general circulation in each district, and such notice shall designate the territory to be transferred. The board may, after a public hearing on the petition, change the boundaries of the districts so as to set off the land described in the petition and attach it to such adjoining contiguous school district as is called for in the petition whenever the board determines that the elements of the petition have been proven, including that it is in the best educational interest of the children of school age residing on such land to do so. ~~When the tract of land attached is not contiguous to the district receiving such land, the transportation allowance provisions of section 372 of this act shall not exceed beyond the boundary line of the receiving district that existed prior to the attachment of such land.~~

Appeals may be taken from the action of the board to the district court of the county in which the land is located within twenty days after entry of such action on the records of the board. Transfer of property pursuant to this section may be made from an accredited district to ~~an~~ a contiguous accredited Class VI district which is served by a nonaccredited Class I district if any student residing on the land to be transferred attends high school.

(2) Any freeholder or freeholders, person in possession or constructive possession as vendee pursuant to a contract of sale of the fee, holder of a school land lease under section 72-232, or entrant upon government land who has not yet received a patent therefor may file a petition with a board consisting of the county superintendent, county clerk, and county treasurer, asking to have any tract or tracts of land described in the petition set off from a nonaccredited Class I, II, III, or VI district in which it is situated and attached to an accredited contiguous school district in the county of the residence of the petitioner or an adjoining county thereto, and when a county adjoining the petitioner's county of residence. When such petition is for transfer of land from a Class I district which is part of a Class VI district, the petitioner shall be allowed to have such land attached to an adjoining accredited contiguous Class II, III, IV, or V district.

The petition shall state the reasons for the proposed change and shall show with reference to the land of each petitioner: (a) That (i) the land described in the petition is either owned by the petitioner or petitioners or that he, she, or they hold a school land lease under section 72-232, are in possession or constructive possession as vendee under a contract of sale of the fee simple interest, or have made an entry on government land but have not yet received a patent therefor and (ii) such tract of land includes all such contiguous land owned or controlled by each petitioner; (b) that the land proposed to be attached has children of school age who have resided on such land with their parents or guardians for not less than forty days prior to filing the petition; (c) that the land described in the petition is located in a Class I, II, III, or VI school district as provided in this subsection and is to be attached to an accredited contiguous school district in the petitioner's county of residence or an adjoining county a county adjoining the petitioner's county of residence; and (d) that such petition is approved by a majority of the members of the school board or board of education of the district to which such land is sought to be attached.

If the land sought to be transferred pursuant to this subsection is to be set off from a Class I, II, III, or VI district and attached to an accredited contiguous Class VI district, the land shall not be set off and attached to such Class VI district unless the petition states that the land shall be attached to a Class I district located within the boundaries of such Class VI district and a majority of the members of the school board or board of education of both such Class VI and Class I districts approve such petition.

The petition shall be verified by the oath of each petitioner. Notice of the filing of the petition and of the hearing on such petition before the board shall be given at least ten days prior to the date of such hearing by one publication in a legal newspaper of general circulation in each district and by posting a notice on the outer door of the schoolhouse in each district affected thereby, and such notice shall designate the territory to be transferred. The board shall, after a public hearing on the petition and a determination that all requirements of this subsection have been complied with, change the boundaries of the districts so as to set off the land described in the petition and attach it to such adjoining contiguous school district pursuant to the petition.

Petitions requesting transfers of property across county lines shall be addressed jointly to the county superintendents of the counties concerned, and the petitions shall be acted upon by the county superintendents, county clerks, and county treasurers of the counties involved as one board, with the county superintendent of the county from which the land is sought to be transferred acting as chairperson of the board.

When the tract of land attached is not contiguous to the district receiving such land, the transportation allowance provisions of section 372 of this act shall not extend beyond the boundary line of the receiving district that existed prior to the attachment of such tract of land.

For purposes of this section, children of school age means children who are attending public school or children who are not attending a public school in such district but who will attend a public school in the district to which the land will be attached. Failure of such children to attend a public school in the district to which the land is attached shall invalidate the transfer from the date of approval.

Appeals may be taken from the action of such board or, when such board fails to agree, to the district court of the county in which the land is located within twenty days after entry of such action on the records of the board by the county clerk of the county in which the land is located or within twenty days after March 15 if the board fails to act upon such petition as provided in section 206 of this act, in the same manner as appeals are now taken from the action of the county board in the allowance or disallowance of claims against the county.

(3) For purposes of this section:

(a) Children of school age means children who are attending public school or children who are not attending a public school in such district but who will attend a public school in the district to which the land will be attached; and

(b) Contiguous school district means a school district sharing a common boundary with twenty percent or more of the tract of land sought to be transferred.

Failure of children of school age to attend a public school in the district to which the land is attached shall invalidate the transfer from the date of approval.

Sec. 7. Section 79-701, Reissue Revised Statutes of Nebraska, is amended to read:

79-701. (1) A Class II school district shall be created whenever a Class I school district determines by a majority vote of the qualified voters at an annual or special meeting to establish a high school.

The members of the school board serving when it is decided to establish a high school shall continue in office until the first Tuesday in June following the next statewide primary election. The Class II school district board shall be elected pursuant to section 32-542.

(2)(a) If a Class II school district, by a vote of fifty-five percent of the qualified voters voting at an annual or special meeting, decides to discontinue and close the high school, and close the same, the school district shall thereupon become a become an affiliated Class I school district on the date designated by such voters. Affiliation shall be accomplished pursuant to sections 162 to 176, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996. At such meeting a decision shall be made as to when the new school board shall be elected and whether the board shall consist of three members or six members. No new Class I school district shall establish a six-member board unless the school district contains a minimum of one hundred fifty children who are five through twenty years of age. The school board of the existing Class II school district shall remain in office until the effective date for the formation of the new Class I school district.

(b) If the new school board is to consist of three members, such members shall be elected at the time the electors vote to change from a Class II school district to a Class I school district or at any annual or special

meeting held not less than thirty days prior to the effective date of the change from a Class II school district to a Class I school district. At the annual or special meeting, a treasurer shall be elected for a term of one year, a secretary for a term of two years, and a president for a term of three years, and regularly thereafter their successors shall be elected for terms of three years each. All officers so elected shall hold their offices until successors are elected and qualified. After such change becomes effective, the school district and its officers shall have the powers and be governed by the provisions of law applicable to Class I school districts.

(c) If the new school board is to consist of six members, such members shall be elected after school district electors have voted to change from a Class II school district to a Class I school district. The procedure for electing board members shall be as prescribed in section 32-541 or as prescribed in subsection (3) of section 79-601, except that such election may be held at any annual school meeting or at a special school meeting called for the purpose of electing school district officers.

(3) No school district may change from Class I to Class II unless that school district has an enrollment of not less than one hundred pupils in grades nine through twelve. This subsection shall not apply to any school district located on an Indian reservation and substantially or totally financed by the federal government.

Sec. 8. Section 79-1004, Reissue Revised Statutes of Nebraska, is amended to read:

79-1004. The members of the board of education at their regular meeting in January each year shall elect a president and vice president from their own members, who shall serve for terms of one year or until their successors are elected and qualified. They may also select from outside their own members one superintendent of public schools, one secretary, one treasurer, and such other officers as the board may deem necessary for the administration of the affairs of the school district, at such salary as the board may deem just, and in their discretion they may enter into contracts with such officers for terms of not to exceed three years. The board shall have the power to elect its president and vice president and to select its officers and employees in accordance with rules adopted by the board.

Sec. 9. Section 79-1004.04, Reissue Revised Statutes of Nebraska, as amended by section 345, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, is amended to read:

~~79-1004.04- The treasurer of a Class V school district shall receive all taxes of the school district from the county treasurer. of the county in which a city of the metropolitan class is located shall be ex officio treasurer of the board of education of a Class V school district. The treasurer shall collect all taxes of the school district, and his or her powers with respect to such taxes shall be the same as his or her powers with respect to the collection of county taxes. The treasurer of the school district shall attend all meetings of the board of education of the Class V district when required to do so, shall prepare and submit in writing a monthly report of the state of the district's finances, and shall pay school money only upon a warrant signed by the president, or in the president's absence by the vice president, and countersigned by the secretary. The treasurer shall also perform such other duties as designated by the board of education. Before entering into the discharge of his or her duties and during the entire time he or she so serves, the treasurer shall give bond, payable to the board of education in such amount as may be required by the board of education, but in no event less than two hundred thousand dollars, conditioned for the faithful discharge of his or her duties as treasurer of the school district, for the safekeeping and proper disbursement of all funds and money of the school district collected or received by the treasurer, him or her, and for all taxes not collected whenever such taxes or assessments remain uncollected by him or her by reason of any neglect of duty, want of diligence, or failure on his or her part to comply with the law relating to the collection thereof. Such bond shall be signed by one or more surety companies of recognized responsibility, to be approved by the board of education. The cost of the bond shall be paid by the school district. Such bond may be enlarged at any time the board of education may deem an enlargement or additional bond necessary.~~

Sec. 10. Section 79-1005, Reissue Revised Statutes of Nebraska, is amended to read:

79-1005. All accounts shall be audited by the secretary and approved by a committee to be styled the committee on claims. No expenditures greater than one thousand dollars shall be voted by the board, except in accordance with the provisions of a written contract, nor shall any money be appropriated out of the school fund except on a recorded affirmative vote of a

majority of all the members of the board. All money belonging to the school district, in the hands of the county treasurer ~~as ex officio treasurer of the school district,~~ shall be accounted for and disbursed directly to the board of education in accordance with section 23-1601.

Sec. 11. Section 79-1040, Revised Statutes Supplement, 1995, is amended to read:

79-1040. The treasurer of the county in which the school district is located shall be ex officio treasurer of the system. The treasurer shall act as official custodian of the cash and securities belonging to the system, shall provide adequate safe deposit facilities for the preservation of such securities, and shall hold such cash and securities subject to the order of the board of education. The treasurer shall receive all items of taxes or cash belonging to the system, shall deposit in banks approved by the board of education all such amounts in a trust account secured by collateral in accordance with the depository law, and shall submit a monthly report to the board of all such transactions. Notwithstanding any limitations elsewhere imposed by statute on the location of the system's depository bank, such limitations shall not apply to the use of a depository bank for the custody of international investments or other investments which require the use of a designated depository institution. The treasurer shall make payments for purposes specified in sections 79-1032 to 79-1060 upon warrants issued according to law by the board of education designated Retirement Fund, (corporate name of the school district as described in section 79-401), and signed by the president and secretary of the board of education. All banks and custodians which receive and hold securities and investments for the system may hold and evidence such securities by book entry account rather than obtaining and retaining the original certificate, indenture, or governing instrument for such security. Before entering into the discharge of his or her duties and during the entire time he or she so serves, the The treasurer shall furnish a corporate surety bond payable to the school district and acceptable to the board in such amount as the board shall designate. The bond shall be in addition to his or her bond as treasurer ~~ex officio~~ of the school district and the cost of the bond shall be paid by the school district.

Sec. 12. Section 79-1108, Reissue Revised Statutes of Nebraska, is amended to read:

79-1108. No transfer of property from an accredited school district to a nonaccredited school district of any class shall be permitted, except that as provided in section 79-403 transfers may be made from an accredited district to an accredited contiguous Class VI district which is served by a nonaccredited Class I district if any student residing in the land to be transferred pursuant to the petition attends high school. This provision shall apply to all transfers made prior as well as subsequent to July 17, 1982.

Sec. 13. Sections 1, 2, 8 to 11, and 15 of this act become operative September 1, 1996. The other sections of this act become operative on their effective date.

Sec. 14. Original sections 79-402, 79-402.15, 79-701, and 79-1108, Reissue Revised Statutes of Nebraska, section 79-403, Reissue Revised Statutes of Nebraska, as amended by section 205, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, and section 228, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, are repealed.

Sec. 15. Original sections 79-1004 and 79-1005, Reissue Revised Statutes of Nebraska, section 14-554, Revised Statutes Supplement, 1994, sections 23-1601 and 79-1040, Revised Statutes Supplement, 1995, and section 79-1004.04, Reissue Revised Statutes of Nebraska, as amended by section 345, Legislative Bill 900, Ninety-fourth Legislature, Second Session, 1996, are repealed.

Sec. 16. Since an emergency exists, this act takes effect when passed and approved according to law.