

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1130

Introduced by Jacobson, 42.

Read first time January 20, 2026

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to cities and villages; to adopt the Community
- 2 Improvement District Act; and to declare an emergency.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 59 of this act shall be known and may be
2 cited as the Community Improvement District Act.

3 **Sec. 2.** For purposes of the Community Improvement District Act:

4 (1) Administrator means the person appointed by the Auditor of
5 Public Accounts pursuant to section 42 of this act to manage the affairs
6 of a community improvement district and to exercise the powers of the
7 board of trustees during the period of the appointment to the extent
8 prescribed in the Community Improvement District Act;

9 (2) Bond means an investment security under article 8, Uniform
10 Commercial Code, in the form of a long-term, written promise to pay a
11 specified sum of money, referred to as the face value or principal
12 amount, at a specified maturity date or dates in the future, plus
13 periodic interest at a specified rate;

14 (3) Capital outlay means expenditures for construction or
15 reconstruction of major permanent facilities having an expected long
16 life, including, but not limited to, public infrastructure improvements;

17 (4) Development means the original installation of any public
18 improvements to the standards of the city or village zoning standards;

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

24 (6) Public infrastructure means any publicly owned electric service
25 lines and conduits, gas service lines and conduits, sanitary sewer lines,
26 sanitary sewer system improvements, storm sewer lines, storm sewer system
27 improvements, flood control improvements, water lines, water system
28 improvements, emergency management warning system improvements,
29 sidewalks, roads, streets, highways, pedestrian walkways, public spaces,
30 public facilities, parks, playgrounds, recreational facilities, offstreet
31 motor vehicle parking facilities, public waterways, docks, wharfs, rail

1 lines, flood control systems, flood control improvements, and related
2 appurtenances, whether owned or to be owned by the community improvement
3 district or another political subdivision;

4 (7) Public waterways means artificially created boat channels
5 dedicated to public use and providing access to navigable rivers or
6 streams;

7 (8) Redevelopment means the reconstruction, rehabilitation, or
8 original installation of public infrastructure as long as prior public
9 infrastructure has been installed in the community improvement district
10 even if such installation occurred prior to the formation of the
11 community improvement district; and

12 (9) Warrant means an investment security under article 8, Uniform
13 Commercial Code, in the form of a short-term, interest-bearing order
14 payable on a specified date issued by the board of trustees or
15 administrator of a community improvement district to be paid from funds
16 available or expected to be received in the future, and includes, but is
17 not limited to, property tax collections, special assessment collections,
18 and proceeds of sale of bonds.

19 **Sec. 3.** (1)(a) A majority of the owners, as determined in
20 subsection (5) of this section, having an interest in the real property
21 within the limits of a proposed community improvement district, situated
22 wholly within a village or city in this state at the time of approval
23 pursuant to section 6 of this act, may propose formation of a community
24 improvement district for the purpose of construction, installation,
25 improvement, equipping, maintenance, and repair of public infrastructure
26 in or related to such community improvement district, and contracting
27 with the city or village in which the community improvement district is
28 located or other political subdivisions of this state for any public
29 purpose. The real property included within a community improvement
30 district may be contiguous or noncontiguous.

31 (b) Nothing in this section shall authorize community improvement

1 districts to purchase electric service and resell the same.

2 (c) For the purposes listed in this section, such majority of the
3 owners may make and sign articles of association in which shall be stated
4 (i) the name of the community improvement district, (ii) that the
5 community improvement district will have perpetual existence, (iii) the
6 limits of the community improvement district, (iv) the name and place of
7 residence of each owner of the land in the proposed community improvement
8 district, (v) the description of the several tracts of land situated in
9 the community improvement district owned by those who may organize the
10 community improvement district, and (vi) the name and the description of
11 the real estate owned by any such owner who does not join in the
12 organization of the community improvement district but who will be
13 benefited thereby. Such owners of real estate as are unknown may also be
14 set out in the articles as such.

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

29 (2) The articles of association shall state:

30 (a) The proposed community improvement district proposes an
31 aggregate maximum permitted levy rate for all purposes in an amount not

1 to exceed per \$100 of taxable valuation in such community
2 improvement district, to be deposited and held in the funds of the
3 community improvement district and used for general corporate purposes,
4 including payment of principal of and interest on any outstanding bonds,
5 warrants, and other obligations of the community improvement district;
6 and

7 (b) The owners of real estate so forming the community improvement
8 district for such purposes are willing and obligate themselves to pay the
9 tax or taxes which may be levied against all the property in the
10 community improvement district and special assessments against the real
11 property benefited which may be assessed against them to pay the expenses
12 that may be necessary for the purposes of the community improvement
13 district as authorized in subsection (1) of this section.

14 (3) The articles shall propose the names of five or more trustees
15 who (a) live in the purposed community improvement district, (b) are
16 owners of real estate located in the proposed community improvement
17 district, or (c) are designees of the owners if the real estate is owned
18 by a limited partnership, a general partnership, a limited liability
19 company, a public, private, or municipal corporation, an estate, or a
20 trust. The five trustees approved pursuant to section 6 of this act shall
21 serve as a board of trustees until their successors are elected and
22 qualified if such community improvement district is organized.

23 (4) After the articles are signed, the same shall be filed in the
24 office of the clerk of the city or village in which such community
25 improvement district shall be located together with a request that the
26 city council of the city or board of trustees of the village in which
27 such articles of association have been filed pass and approve an
28 ordinance approving formation of such community improvement district
29 pursuant to the Community Improvement District Act.

30 (5) For purposes of subsection (1) of this section, a majority of
31 the owners having an interest in the real property in a proposed

1 community improvement district is determined as follows:

2 (a) If the real property in a proposed community improvement
3 district is currently zoned commercial or industrial, a majority of the
4 owners is determined based on the number of acres owned in the proposed
5 boundary of the community improvement district;

6 (b) If the real property in a proposed community improvement
7 district is currently zoned residential, a majority of the owners is
8 determined based on the majority of the number of residential lots or
9 condominium units in the proposed boundary of the community improvement
10 district, regardless of lot size;

11 (c) If the real property in a proposed community improvement
12 district is currently zoned agricultural, majority means all real
13 property owners; and

14 (d) If the real property in a proposed community improvement
15 district is a combination of subdivisions (a) through (c) of this
16 subsection, a majority of the owners is determined giving equal weight to
17 each acre and each residential lot and must include all owners of
18 agricultural land in the proposed boundary of the community improvement
19 district.

20 Sec. 4. (1) Immediately after the articles of association and
21 request for approval have been filed, as provided for by subsection (4)
22 of section 3 of this act, the clerk of the city or village where the
23 articles are filed shall schedule a hearing to be held within ninety days
24 after the date of such filing by the city council or village board of
25 trustees regarding formation of the proposed community improvement
26 district and any objections to such formation.

27 (2) The city or village clerk shall publish a notice of association
28 in a newspaper of general circulation in the city or village and in the
29 proposed community improvement district in one publication at least sixty
30 days prior to the date of such hearing and in the four weekly
31 publications of such newspaper immediately preceding the date set for

1 such hearing, which notice shall set forth the following:

2 (a) That the articles of association have been filed in the office
3 of the city or village clerk and are available for inspection and the
4 purpose thereof;

5 (b) The date and time of the hearing scheduled regarding formation
6 of the proposed community improvement district and any objections thereto
7 and that any written objections regarding such community improvement
8 district shall be filed with the city or village clerk at least seven
9 calendar days prior to the date of such hearing;

10 (c) A description of the real estate proposed to be included in the
11 community improvement district and that the owner or owners of such real
12 estate will be affected by formation of such community improvement
13 district and rendered liable to taxation and special assessment in
14 accordance with law and in addition to any other taxes or assessments of
15 the city or village and other existing taxing entities, for the purpose
16 of construction, installation, improvement, equipping, maintenance, and
17 repair of public infrastructure in or related to such community
18 improvement district, and contracting with the city or village in which
19 the community improvement district is located or other political
20 subdivisions of this state for any public purpose;

21 (d) The names of the proposed trustees;

22 (e) The proposed aggregate maximum permitted levy rate for all
23 purposes, stated as an amount not to exceed per \$100 of taxable
24 valuation in such community improvement district, to be deposited and
25 held in the funds of the community improvement district and used for
26 general corporate purposes, including payment of principal of and
27 interest on any outstanding bonds, warrants, and other obligations of the
28 community improvement district; and

29 (f) That application has been made to the city or village to declare
30 to the district a community improvement district pursuant to the
31 Community Improvement District Act.

1 (3) The city or village clerk shall mail a copy of such notice of
2 association to the several owners of real estate in the proposed
3 community improvement district who have not signed the articles of
4 association. The notice shall be sent via certified mail service to the
5 last-known address of each such owner no later than ten days after
6 publishing the first notice of association, with a return receipt
7 requested showing to whom and where the notice was delivered and the date
8 of delivery.

9 **Sec. 5.** Any owner of real estate situated in the proposed community
10 improvement district who has not signed the articles of association and
11 who may object to the organization of the community improvement district
12 or to any one or more of the proposed trustees shall, at least seven
13 calendar days prior to the date of the hearing scheduled pursuant to
14 subsection (1) of section 4 of this act, file any such objection in
15 writing with the city or village clerk where the articles were filed,
16 stating (1) why such community improvement district should not be
17 organized and declared a public corporation in this state, (2) why the
18 owner's real estate should not be embraced in the limits of such
19 community improvement district, and (3) any objections to the proposed
20 trustees.

21 **Sec. 6.** (1) The hearing with respect to such application and any
22 objections scheduled pursuant to subsection (1) of section 4 of this act
23 shall be held by the city council or village board of trustees on the
24 date and time provided in the notice of association. At the conclusion of
25 such hearing, subject to subsections (2) and (3) of this section, the
26 city council or village board of trustees may pass an ordinance which (a)
27 specifies the property included in the community improvement district,
28 (b) names five trustees as the board of trustees of such community
29 improvement district to serve until their successors are elected and
30 qualified pursuant to the Community Improvement District Act, (c)
31 specifies the maximum levy rate for all purposes stated as an amount not

1 to exceed per \$100 of taxable valuation in such community
2 improvement district, to be deposited and held in the funds of the
3 community improvement district and used for general corporate purposes,
4 including payment of principal of and interest on any outstanding bonds,
5 warrants, and other obligations of the community improvement district,
6 and (d) declares the community improvement district a duly formed
7 political subdivision and community improvement district pursuant to the
8 Community Improvement District Act. Such ordinance shall not be passed
9 unless and until all property included in such proposed community
10 improvement district is within the corporate limits of the city or
11 village.

12 (2) If any objection to the formation of such community improvement
13 district is filed by a property owner within the community improvement
14 district who did not sign the articles of association, the application
15 shall not be approved by the city council or village board of trustees
16 unless (a) the boundaries are amended to remove the property owned by
17 such objecting property owner or (b) the city council or village board of
18 trustees determines that inclusion of such property within the community
19 improvement district (i) is necessary to the public health or welfare of
20 the community improvement district and the city or village, or (ii) is
21 appropriate because such property will be specially benefitted by public
22 infrastructure improvements expected to be made by the community
23 improvement district.

24 (3) In case of objection to any of the nominated trustees, the city
25 council or village board of trustees may identify and name other suitable
26 trustees to serve on the board of trustees of such community improvement
27 district who shall be (a) owners of real estate located in the community
28 improvement district or (b) designated to serve as representatives on the
29 board of trustees if the real estate is owned by a limited partnership, a
30 general partnership, a limited liability company, a public, private, or
31 municipal corporation, an estate, or a trust.

1 **Sec. 7.** A community improvement district shall be a body corporate
2 and politic by the name of Community Improvement District
3 Number of the (city or village) of and shall have
4 the power and authority to take and hold real and personal property
5 necessary for its use, to levy property taxes, to make contracts, to sue
6 and be sued, and to exercise any and all other powers, as a corporation,
7 necessary to carry out the purposes of the Community Improvement District
8 Act.

9 **Sec. 8.** Within forty-five days after a community improvement
10 district has been declared a public corporation by the city council or
11 village board of trustees, the clerk of the community improvement
12 district shall transmit to the Secretary of State a certified copy of the
13 record relating thereto, including a copy of the articles of association,
14 and the same shall be filed in the office of the Secretary of State in
15 the same manner as articles of incorporation are required to be filed
16 under the general law concerning corporations. A copy of such record,
17 including a copy of the articles of association and a plat of the
18 community improvement district, shall also be filed in the office of the
19 county clerk of the county in which the community improvement district,
20 or any part thereof, is situated.

21 **Sec. 9.** (1) Within thirty days after the city council or village
22 board of trustees has declared a community improvement district to be a
23 public corporation, the trustees appointed upon formation shall meet and
24 elect one of their number chairperson and one of their number clerk of
25 the community improvement district.

26 (2) Except as otherwise provided, the board of trustees shall:
27 (a) Keep a record of all of its proceedings which shall be open to
28 inspection by all owners of real estate in the community improvement
29 district;

30 (b) Have the power to pass all necessary resolutions, orders, rules,
31 and regulations for the necessary conduct of its business and to carry

1 into effect the objects for which the community improvement district was
2 formed; and

3 (c) Have the authority to appoint, employ, and pay accountants,
4 attorneys, engineers, municipal advisors, underwriters, and such other
5 professional or clerical help as may be needed, who shall each be
6 removable at the pleasure of the board or administrator.

7 (3) Upon the appointment of an administrator for the community
8 improvement district pursuant to sections 42 to 51 of this act, the
9 authority of the trustees to exercise the powers granted in this section
10 shall be suspended, except that the board shall continue in existence and
11 the administrator shall periodically, but not less frequently than
12 monthly, report to the board in writing on all decisions and actions
13 taken by the administrator in managing the affairs of the community
14 improvement district. The administrator shall, during the period of his
15 or her appointment, possess exclusive authority to exercise the powers
16 and duties conferred in the Community Improvement District Act.

17 Sec. 10. Within thirty days after the creation of a community
18 improvement district, the clerk of the community improvement district
19 shall file with the register of deeds, county clerk, and election
20 commissioner, of each county or counties in which the community
21 improvement district is located, a statement containing the following
22 information: (1) The community improvement district number; (2) the outer
23 boundaries of the community improvement district; (3) that the community
24 improvement district has the power to levy a property tax and indicate
25 the rate approved pursuant to section 6 of this act to pay its debt and
26 its expenses of operation and maintenance; (4) that the community
27 improvement district may levy special assessments on property in the
28 community improvement district to the full extent of special benefits
29 arising by reason of development improvements installed by the community
30 improvement district; (5) that the annual budget of the community
31 improvement district is filed with the Auditor of Public Accounts, which

1 budget shows the anticipated revenue and expenses, tax levy, and
2 indebtedness of the community improvement district; (6) that the actual
3 current tax levy amount of the community improvement district may be
4 obtained from each county in which the community improvement district is
5 located; and (7) that a copy of the annual financial audit of the
6 community improvement district is on file with the clerk of the community
7 improvement district and the Auditor of Public Accounts. Such statement
8 shall be supplemented and refiled to indicate any land added to or
9 removed from the community improvement district after the original
10 filing.

11 **Sec. 11.** The chairperson and clerk or administrator of any
12 community improvement district shall, upon assuming his or her respective
13 office, execute and file with the city or village clerk of the city or
14 village in which such community improvement district is located, a bond,
15 with one or more sureties, to be approved by the city or village clerk,
16 running to the State of Nebraska in the penal sum of five thousand
17 dollars for the chairperson, twenty thousand dollars for the clerk, and
18 twenty thousand dollars for the administrator, conditioned for the
19 faithful performance of their official duties and the faithful accounting
20 by them for all funds and property of the community improvement district
21 that shall come into their possession or control during their term of
22 office. The premium, if any, on any such bond shall be paid out of the
23 funds of the community improvement district. Suit may be brought on such
24 bonds by any person, firm, or corporation that has sustained loss or
25 damage in consequence of the breach thereof.

26 **Sec. 12.** (1) Except as provided in subsection (5) of section
27 84-1411, the clerk or administrator of each community improvement
28 district shall notify the city or village where such district is located
29 of all meetings of the community improvement district board of trustees
30 or called by the administrator by sending a notice of such meeting to the
31 clerk of the city or village not less than seven days prior to the date

1 set for any meeting. In the case of meetings called by the administrator,
2 notice shall be provided to the clerk of the community improvement
3 district not less than seven days prior to the date set for any meeting.

4 (2) Except as provided in subsection (5) of section 84-1411, within
5 the timeframe required by subsection (3) of section 84-1413, after any
6 meeting of a community improvement district board of trustees or called
7 by the administrator, the clerk or administrator of the community
8 improvement district shall transmit to the city or village where the
9 community improvement district is located a copy of the minutes of such
10 meeting.

11 **Sec. 13.** (1)(a) On or before December 31 of each year, the clerk of
12 each community improvement district shall file with the register of deeds
13 or the clerk of the city or village in which the community improvement
14 district is located a statement updated each December 31 containing the
15 following information:

16 (i) The names of the members of the current board of trustees of the
17 community improvement district;

18 (ii) The names of the following if applicable: Current attorney,
19 accountant, engineer, underwriter, and municipal advisor of the community
20 improvement district;

21 (iii) The warrant and the bond principal indebtedness of the
22 community improvement district as of the preceding June 30. Such
23 statement shall contain an acknowledgment that the warrant and
24 indebtedness are reflective of such date; and

25 (iv) The current tax levy of the community improvement district, as
26 described in section 21 of this act, as of December 31.

27 (b) For any late filing of the statement, the community improvement
28 district shall be assessed a late fee of ten dollars per day by the
29 register of deeds or the clerk of the city or village, not to exceed a
30 total of three hundred dollars for each late filing.

31 (2) The real estate broker or salesperson or, if none, the owner of

1 the real estate shall distribute the most recent statement filed in
2 accordance with this section to any prospective purchaser of any real
3 estate located within a community improvement district.

4 (3) The real estate broker or salesperson or, if none, the owner
5 shall obtain an acknowledgment from any purchaser of any real estate
6 located within a community improvement district that the purchaser
7 understands the property is located within a community improvement
8 district. Such acknowledgment may be obtained separately from the
9 disclosure required under section 76-2,120.

10 (4) The statement shall be distributed and the acknowledgment
11 obtained on or before the date on which the purchaser becomes obligated
12 to purchase such real estate. The exclusive remedy for failure to provide
13 such statements and obtain such acknowledgments shall be an action for
14 damages, and any such failure shall not affect title to the real estate
15 or the validity of the conveyance.

16 **Sec. 14.** (1)(a) On the first Tuesday after the second Monday in
17 September which is at least fifteen months after the city council or
18 village board of trustees passes the ordinance creating a community
19 improvement district and on the first Tuesday after the second Monday in
20 September each two years thereafter, the board of trustees shall cause a
21 special election to be held, at which election a board of trustees shall
22 be elected. The board of trustees shall have five members except as
23 provided in subsection (2) of this section. Each member elected to the
24 board of trustees shall be elected to a term of two years and shall hold
25 office until such member's successor is elected and qualified. Any person
26 desiring to file for the office of trustee may file for such office with
27 the election commissioner or county clerk of the county in which the
28 greater proportion in area of the community improvement district is
29 located not later than fifty days before the election. If such person
30 will serve on the board of trustees as a designated representative of a
31 limited partnership, general partnership, limited liability company,

1 public, private, or municipal corporation, estate, or trust which owns
2 real estate in the community improvement district, the filing shall
3 indicate that fact and shall include appropriate documentation evidencing
4 such fact. No filing fee shall be required. A person filing for the
5 office of trustee to be elected at the election held six years after the
6 first election of trustees and each election thereafter shall designate
7 whether such person is a candidate for election by the resident owners of
8 such community improvement district or a candidate for election by all of
9 the owners of real estate located in the community improvement district.
10 If a person filing for the office of trustee is a designated
11 representative of a limited partnership, a general partnership, a limited
12 liability company, a public, private, or municipal corporation, an
13 estate, or a trust which owns real estate in the community improvement
14 district, the name of such entity shall accompany the name of the
15 candidate on the ballot in the following form: (Name of candidate) to
16 represent (name of entity) as a member of the board. The name of each
17 candidate shall appear on only one ballot.

18 (b) The name of a person may be written in and voted for as a
19 candidate for the office of trustee, and such write-in candidate may be
20 elected to the office of trustee. A write-in candidate for the office of
21 trustee who will serve as a designated representative of a limited
22 partnership, a general partnership, a limited liability company, a
23 public, private, or municipal corporation, an estate, or a trust which
24 owns real estate in the community improvement district shall not be
25 elected to the office of trustee unless (i) each vote is accompanied by
26 the name of the entity which the candidate will represent and (ii) within
27 ten days after the date of the election the candidate provides the
28 election commissioner or county clerk with appropriate documentation
29 evidencing the candidate's representation of the entity. Votes cast which
30 do not carry such accompanying designation shall not be counted.

31 (c) A trustee shall be an owner of real estate located in the

1 community improvement district or shall be a person designated to serve
2 as a representative on the board of trustees if the real estate is owned
3 by a limited partnership, a general partnership, a limited liability
4 company, a public, private, or municipal corporation, an estate, or a
5 trust. Notice of the date of the election shall be mailed by the clerk of
6 the community improvement district not later than sixty-five days prior
7 to the election to each person who is entitled to vote at the election
8 for trustees whose property ownership or lease giving a right to vote is
9 of record on the records of the register of deeds as of a date designated
10 by the election commissioner or county clerk, which date shall be not
11 more than eighty days prior to the election.

12 (2)(a) For any community improvement district, a person whose
13 ownership or right to vote becomes of record or is received after the
14 date specified pursuant to subsection (1) of this section may vote when
15 such person establishes the right to vote to the satisfaction of the
16 election board appointed pursuant to section 15 of this act. At the first
17 election and at the election held two years after the first election, any
18 person may cast one vote for each trustee for each acre of unplatte
19 land or fraction thereof and one vote for each platted lot which such person
20 may own in the community improvement district.

21 (b) This subdivision applies to a community improvement district
22 until the board of trustees amends its articles of association pursuant
23 to subdivision (2)(d) of this section. At the election held six years
24 after the first election of trustees, two members of the board of
25 trustees shall be elected by the legal property owners resident within
26 such community improvement district and three members shall be elected by
27 all of the owners of real estate located in the community improvement
28 district pursuant to this section. Every resident property owner may cast
29 one vote for a candidate for each office of trustee to be filled by
30 election of resident property owners only. Such resident property owners
31 may also each cast one vote for each acre of unplatte
 land or fraction

1 thereof and for each platted lot owned within the community improvement
2 district for a candidate for each office of trustee to be filled by
3 election of all property owners. For each office of trustee to be filled
4 by election of all property owners of the community improvement district,
5 every legal property owner not resident within such community improvement
6 district may cast one vote for each acre of unplatte land or fraction
7 thereof and one vote for each platted lot which such legal property owner
8 owns in the community improvement district. At the election held eight
9 years after the first election of trustees and at each election
10 thereafter, three members of the board of trustees shall be elected by
11 the legal property owners resident within such community improvement
12 district and two members shall be elected by all of the owners of real
13 estate located in the community improvement district pursuant to this
14 section. If there are not any legal property owners resident within such
15 community improvement district or if not less than ninety percent of the
16 area of the community improvement district is owned for other than
17 residential uses, the five members shall be elected by the legal property
18 owners of all property within such community improvement district as
19 provided in this section.

20 (c) Any public, private, or municipal corporation owning any land or
21 lot in the community improvement district may vote at an election the
22 same as an individual. If more than fifty percent of the homes in any
23 community improvement district are used as a second, seasonal, or
24 recreational residence, the owners of such property shall be considered
25 legal property owners resident within such community improvement district
26 for purposes of electing trustees. For purposes of voting for trustees,
27 each condominium apartment under a condominium property regime
28 established under the Nebraska Condominium Act shall be deemed to be a
29 platted lot and the lessee or the owner of the lessee's interest, under
30 any lease for an initial term of not less than twenty years which
31 requires the lessee to pay taxes and special assessments levied on the

1 leased property, shall be deemed to be the owner of the property so
2 leased and entitled to cast the vote of such property. When ownership of
3 a platted lot or unplatted land is held jointly by two or more persons,
4 whether as joint tenants, tenants in common, limited partners, members of
5 a limited liability company, or any other form of joint ownership, only
6 one person shall be entitled to cast the vote of such property. The
7 executor, administrator, guardian, or trustee of any person or estate
8 interested shall have the right to vote. No corporation, estate, or
9 irrevocable trust shall be deemed to be a resident owner for purposes of
10 voting for trustees. Should two or more persons or officials claim the
11 right to vote on the same tract, the election board appointed pursuant to
12 section 15 of this act shall determine the party entitled to vote.

13 (d) For any community improvement district which has been in
14 existence for at least ten years, which has less than seventy property
15 owners entitled to vote for trustees, which has at least two resident
16 property owners, and in which less than ten percent of the area of the
17 community improvement district is owned for other than residential uses,
18 the board of trustees may amend its articles of association as provided
19 in section 23 of this act to provide for a reduction in the number of
20 trustees on the board from five members to three members to be effective
21 at the beginning of the term of office for the board of trustees elected
22 at the next election. At the next election and at each election
23 thereafter, two members of the board of trustees shall be elected by the
24 legal property owners resident within such community improvement district
25 and one member shall be elected by all of the owners of real estate
26 located in the community improvement district pursuant to this section.
27 Every resident property owner may cast one vote for a candidate for each
28 office of trustee to be filled by election of resident property owners
29 only. Such resident property owners may also each cast one vote for each
30 acre of unplatted land or fraction thereof and for each platted lot owned
31 within the community improvement district for a candidate for the office

1 of trustee to be filled by election of all property owners. For the
2 office of trustee to be filled by election of all property owners of the
3 community improvement district, every legal property owner not resident
4 within such community improvement district may cast one vote for each
5 acre of unplatte land or fraction thereof and one vote for each platted
6 lot which such legal property owner owns in the community improvement
7 district.

8 (3) The election commissioner or county clerk shall hold any
9 election required by subsection (1) of this section by sealed mail ballot
10 by notifying the board of trustees on or before July 1 of a given year.
11 The election commissioner or county clerk shall, at least twenty days
12 prior to the election, mail a ballot and return envelope to each person
13 who is entitled to vote at the election and whose property ownership or
14 lease giving a right to vote is of record with the register of deeds as
15 of the date designated by the election commissioner or county clerk,
16 which date shall not be more than eighty days prior to the election. The
17 ballot and return envelope shall include: (a) The names and addresses of
18 the candidates; (b) room for write-in candidates; and (c) instructions on
19 how to vote and return the ballot. Such ballots shall be returned in the
20 return envelope to the election commissioner or county clerk no later
21 than 5 p.m. on the date set for the election. If the ballot is not
22 returned in the return envelope, such ballot shall not be counted. If
23 more than one ballot is included in the same return envelope, such
24 ballots shall not be counted and shall be reinserted into the return
25 envelope which shall be resealed and marked rejected.

26 Sec. 15. (1)(a) At any election held to elect trustees of a
27 community improvement district, the ballots shall be received, counted,
28 and canvassed by an election board of two or more persons appointed by
29 the election commissioner or county clerk.

30 (b) Such board shall select one of their number as chairperson and
31 one of their number as clerk. In case of a vacancy on such board, a new

1 member shall be appointed pursuant to subdivision (a) of this subsection.

2 (2) For any community improvement district, the election
3 commissioner or county clerk shall certify the results of the election to
4 the community improvement district.

5 (3) If an election is contested involving a community improvement
6 district board of trustees, the Election Act shall apply.

7 **Sec. 16.** Not later than June first of each year, the election
8 commissioner or county clerk shall determine which community improvement
9 districts in the county are required to hold elections in such year and
10 shall so notify the clerk of each such community improvement district on
11 or before July first of such year. The entire costs of conducting the
12 election shall be borne by the community improvement district holding the
13 election, and such costs shall include all expenses such as procuring a
14 list of the property owners of record in each such community improvement
15 district, printing and mailing notices of the elections to such property
16 owners, printing, preparing, and mailing ballots, paying compensation and
17 mileage for the election boards conducting such elections, and also
18 indirect expenses, such as the pro rata amount of any additional clerical
19 expense or other miscellaneous expenses to be incurred by the election
20 commissioner or county clerk in conducting all of such elections to be
21 held in such calendar year. Within sixty days after the elections have
22 been held, each community improvement district shall be charged and
23 billed for all of the actual expenses incurred by the election
24 commissioner or county clerk attributable to such community improvement
25 district. Payment of the total amount billed to the community improvement
26 district shall be in currency and made by the attorney for the community
27 improvement district to the election commissioner or county clerk within
28 sixty days after receipt of such billing.

29 **Sec. 17.** Notwithstanding the appointment of an administrator for
30 any community improvement district pursuant to sections 42 to 51 of this
31 act, special elections shall be held for the election of members of the

1 board of trustees for such community improvement district in the same
2 manner and at the same time as such elections would be held under
3 sections 14 and 15 of this act. In a community improvement district for
4 which such an administrator has been appointed when the board of trustees
5 of such community improvement district is not functioning, the
6 administrator shall cause a special election of trustees to be held
7 within sixty days after the issuance of a certificate of appointment of
8 such administrator, at which election a board of trustees shall be
9 elected to a term of office which shall expire on the first Tuesday of
10 the second September following the appointment of such administrator. The
11 board of trustees shall have five members unless the board has amended
12 its articles of association to decrease the number of trustees on the
13 board to three members pursuant to subdivision (2)(d) of section 14 of
14 this act.

15 **Sec. 18.** A community improvement district may acquire by purchase,
16 condemnation, or otherwise, real or personal property, right-of-way, and
17 privilege, within or without its corporate limits, necessary for its
18 corporate purposes. Such acquisition by the community improvement
19 district may be effected only after approval by the city or village
20 having zoning jurisdiction over such property. The approval of plans and
21 specifications for the public improvement or project, or the approval of
22 plans and exact costs for public parks, playgrounds, and recreational
23 facilities, as required by section 22 of this act, shall be deemed to be
24 approval for the acquisition by the community improvement district of
25 such fee title, easements, or other interests in such property as may be
26 required for the public improvement or project.

27 **Sec. 19.** Whenever the board of trustees or administrator of any
28 community improvement district shall by order determine to make any
29 public improvement under the provisions of the Community Improvement
30 District Act which shall require that private property be taken or
31 damaged, the community improvement district may exercise the power of

1 eminent domain. The procedure to condemn property shall be exercised in
2 the manner set forth in sections 76-704 to 76-724. Such taking by the
3 community improvement district may be effected only after approval by the
4 city or village having any zoning jurisdiction over such property.

5 Sec. 20. Whenever it shall be necessary, in making any improvement
6 under the provisions of the Community Improvement District Act, to enter
7 upon or cross any state or public lands, the community improvement
8 district shall have the right to acquire a right-of-way across the same
9 by the exercise of the power of eminent domain.

10 Sec. 21. (1) The community improvement district shall have the
11 power to annually levy a tax on the taxable value of the taxable property
12 in the community improvement district at an aggregate rate not to exceed
13 the levy rate specified in the articles of organization and approved by
14 ordinance of the city or village pursuant to section 6 of this act, the
15 proceeds of which shall be deposited to and held in the general fund,
16 bond fund, or other fund or account established as determined by the
17 board of trustees of such community improvement district, and used for
18 payment of bonds and warrants, and other general corporate purposes of
19 the community improvement district as permitted by the Community
20 Improvement District Act.

21 (2) The county treasurer of the county in which the greater portion
22 of the area of the community improvement district is located shall be ex
23 officio treasurer of the community improvement district and shall be
24 responsible for all funds of the community improvement district coming
25 into his or her hands. As treasurer of the community improvement district
26 he or she shall (a) establish such funds and accounts on behalf of the
27 community improvement district as he or she determines necessary or
28 appropriate at the direction of the board of trustees of the community
29 improvement district and (b) collect all taxes and special assessments
30 levied by the community improvement district and deposit the same in the
31 appropriate funds and accounts of the community improvement district for

1 the payment of principal and interest on any bonds, warrants, and other
2 obligations outstanding and for general corporate purposes of the
3 community improvement district, all in accordance with action of the
4 board of trustees of the community improvement district.

5 (3) The treasurer of the community improvement district shall not be
6 responsible for funds of the community improvement district until they
7 are received by him or her. The treasurer of the community improvement
8 district shall disburse the funds of the community improvement district
9 upon the direction of the trustees or the administrator and signed by the
10 chairperson and clerk of the community improvement district or the
11 administrator, including issuance of warrants and other action of the
12 board of trustees.

13 Sec. 22. (1) The board of trustees or the administrator of any
14 community improvement district organized under the Community Improvement
15 District Act shall have power to:

16 (a) Construct, install, improve, equip, maintain, and repair public
17 infrastructure in or related to such community improvement district; and

18 (b) Contract with the city or village or other political subdivision
19 in which such community improvement district is located for any public
20 purpose of such community improvement district, city or village, or other
21 political subdivision.

22 (2) Prior to the installation of any of the public infrastructure or
23 entering into a contract for any capital improvement with another
24 political subdivision, the plans or contracts for such improvements or
25 services and estimated costs shall be approved by the city or village in
26 which the community improvement district is located. The community
27 improvement district shall obtain approval of such plans for such
28 improvements, and any changes thereto, from the city or village in which
29 the community improvement district is located, and such city or village
30 shall enforce compliance with such plans by action in equity.

31 (3)(a) Each community improvement district shall have the books of

1 account kept by the board of trustees of the community improvement
2 district examined and audited by a certified public accountant or a
3 public accountant for the year ending June 30 and shall file a copy of
4 the audit with the office of the Auditor of Public Accounts by December
5 31 of the same year. Such audits may be waived by the Auditor of Public
6 Accounts upon proper showing by the community improvement district that
7 the audit is unnecessary. Such examination and audit shall show the
8 following:

9 (i) The gross income of the community improvement district from all
10 sources for the previous year;
11 (ii) The amount expended each year for (A) maintenance and repairs,
12 (B) new equipment, (C) new construction work, and (D) property purchased;
13 (iii) A detailed statement of all items of expense;
14 (iv) The total amount of taxes levied upon the property within the
15 community improvement district; and
16 (v) All other facts necessary to give an accurate and comprehensive
17 view of the cost of carrying on the activities and work of such community
18 improvement district.

19 (b) The reports of all audits provided for in this subsection shall
20 be and remain a part of the public records in the office of the Auditor
21 of Public Accounts. The expense of such audits shall be paid out of the
22 funds of the community improvement district. The Auditor of Public
23 Accounts shall be given access to all books and papers, contracts,
24 minutes, bonds, and other documents and memoranda of every kind and
25 character of such community improvement district and be furnished all
26 additional information possessed by any present or past officer or
27 employee of any such community improvement district, or by any other
28 person, that is essential to the making of a comprehensive and correct
29 audit.

30 (4) If any community improvement district fails or refuses to cause
31 such annual audit to be made of all of its functions, activities, and

1 transactions for the fiscal year within a period of six months following
2 the close of such fiscal year, unless such audit has been waived, the
3 Auditor of Public Accounts shall, after due notice and a hearing to show
4 cause by such community improvement district, appoint a certified public
5 accountant or public accountant to conduct the annual audit of the
6 community improvement district and the fee for such audit shall become a
7 lien against the community improvement district.

8 (5) Whenever the sanitary sewer system or any part thereof of a
9 community improvement district is directly or indirectly connected to the
10 sewerage system of any city or village, such city or village, without
11 enacting an ordinance or adopting any resolution for such purpose, may
12 collect such city's or village's applicable rental or use charge from the
13 users in the community improvement district and from the owners of the
14 property served within the community improvement district. The charges of
15 such city or village shall be charged to each property served by the city
16 or village sewerage system, shall be a lien upon the property served, and
17 may be collected from the owner or the person, firm, or corporation using
18 the service. If the city's or village's applicable rental or service
19 charge is not paid when due, such sum may be recovered by the city or
20 village in a civil action or it may be assessed against the premises
21 served as a special assessment and may be assessed by such city or
22 village and collected and returned in the same manner as other municipal
23 special assessments are enforced and collected. When any such assessment
24 is levied, it shall be the duty of the city or village clerk to deliver a
25 certified copy of the ordinance to the county treasurer of the county in
26 which the premises assessed are located and such county treasurer shall
27 collect the assessment as provided by law and return the assessment to
28 the city or village treasurer. Funds of such city or village raised from
29 such charges shall be used by it in accordance with laws applicable to
30 its sewer service rental or charges. The governing body of any city or
31 village may make all necessary rules and regulations governing the direct

1 or indirect use of its sewerage system by any user and premises within
2 any community improvement district and may establish just and equitable
3 rates or charges to be paid to such city or village for use of any of its
4 disposal plants and sewerage system. The board of trustees may, in
5 connection with the issuance of any warrants or bonds of the community
6 improvement district, agree to make a specified minimum levy on taxable
7 property in the community improvement district to pay, or to provide a
8 sinking fund to pay, principal and interest on warrants and bonds of the
9 community improvement district for such number of years as the board may
10 establish at the time of making such agreement and may agree to enforce,
11 by foreclosure or otherwise as permitted by applicable laws, the
12 collection of special assessments levied by the community improvement
13 district. Such agreements may contain provisions granting to creditors
14 and others the right to enforce and carry out the agreements on behalf of
15 the community improvement district and its creditors.

16 (6) The board of trustees or administrator shall have power to sell
17 and convey real and personal property of the community improvement
18 district on such terms as it or he or she shall determine, except that
19 real estate shall be sold to the highest bidder at public auction after
20 notice of the time and place of the sale has been published for three
21 consecutive weeks prior to the sale in a newspaper of general circulation
22 in the city or village. The board of trustees or administrator may reject
23 such bids and negotiate a sale at a price higher than the highest bid at
24 the public auction at such terms as may be agreed.

25 (7) A community improvement district shall be subject to all
26 regulatory authority, zoning jurisdiction, and other jurisdictional
27 provision of the city or village in which such community improvement
28 district is located. Each community improvement district shall have and
29 the board of trustees may exercise, subject to the regulatory
30 jurisdiction and permitting authority of such city or village and all
31 other applicable governing bodies and agencies having authority with

1 respect to any area included in the community improvement district, the
2 powers relating to public infrastructure and other improvements provided
3 in this section and authorized by the Community Improvement District Act.

4 **Sec. 23.** Whenever a majority of the board of trustees shall deem it
5 advisable to amend the articles of association of the community
6 improvement district to change the maximum permitted levy rate, and after
7 a proposed amendment to the articles of association has been signed by a
8 majority of the owners having an interest in the real property within the
9 limits of the community improvement district, the community improvement
10 district clerk shall file an application for such amendment with the city
11 or village clerk with a request that the maximum permitted levy rate be
12 changed, all in the same manner as approval of the initial articles of
13 association pursuant to the Community Improvement District Act. The city
14 or village clerk shall process any such request in the same manner as an
15 initial application for approval of articles of association, shall
16 schedule a hearing, publish notices, and mail notices to any owner of
17 property in the community improvement district who did not sign the
18 proposed amendment, and such city council or village board of trustees
19 may approve the proposed amendment by ordinance in a similar manner to
20 the initial articles of association as provided in section 6 of this act.

21 **Sec. 24.** All contracts for construction work to be done or
22 materials or equipment purchased, the expense of which is more than fifty
23 thousand dollars, shall be let to the lowest responsible bidder, upon
24 notice of not less than twenty days, of the terms and conditions of the
25 contract to be let. The board of trustees or the administrator shall have
26 the power to reject any and all bids and readvertise for the letting of
27 such work or to negotiate any contract after an unsuccessful public
28 letting.

29 **Sec. 25.** (1) Whenever the board of trustees or the administrator
30 deems it advisable or necessary to build, reconstruct, purchase, or
31 otherwise acquire public infrastructure improvements or to incur other

1 costs permitted by the Community Improvement District Act, the board of
2 trustees shall declare the advisability and necessity therefor in a
3 proposed resolution.

4 (2) Such proposed resolution of necessity shall refer to the plans
5 and specifications for the proposed improvements, proposed agreements or
6 contracts, together with the estimated cost thereof which have been made
7 and filed with the community improvement district clerk before the
8 publication of such resolution. The proposed resolution shall state the
9 amount of such estimated cost.

10 (3) Except as provided in subsection (4) of this section, the board
11 of trustees or the administrator may assess, to the extent of special
12 benefits, the cost of such improvements upon properties specially
13 benefited thereby. The resolution shall state the outer boundaries of the
14 area within the community improvement district in which it is proposed to
15 make special assessments.

16 (4) Notwithstanding anything to the contrary in the Community
17 Improvement District Act, a community improvement district shall not
18 specially assess the cost of public infrastructure for redevelopment
19 unless and until such community improvement district has obtained prior
20 approval by resolution of the city council or village board of trustees.

21 **Sec. 26.** (1) Notice of the time and place, which place shall be in
22 the city or village where the community improvement district is
23 organized, when any resolution proposed under section 25 of this act
24 shall be set for consideration before the board of trustees or the
25 administrator, shall be given the same day each week two consecutive
26 weeks in a newspaper of general circulation published in the city or
27 village where the community improvement district was organized, which
28 publication shall contain the entire wording of the proposed resolution.
29 The last publication shall not be less than five days nor more than two
30 weeks prior to the time set for hearing on objections to the adoption of
31 any such proposed resolution, at which hearing the owners of the property

1 which might become subject to assessment for the contemplated improvement
2 may appear and make objections to the proposed improvement. Thereupon the
3 resolution may be amended and adopted or adopted as proposed.

4 (2) If a petition opposing the proposed resolution, signed by
5 property owners representing a majority of the front footage which may
6 become subject to assessment for the cost of any improvements as set
7 forth by the proposed resolution, is filed with the clerk of the
8 community improvement district within three days before the date of the
9 meeting for the hearing on such proposed resolution, such proposed
10 resolution shall not be adopted.

11 **Sec. 27.** Upon compliance with sections 25 and 26 of this act, the
12 board of trustees or the administrator may by resolution order the
13 contracting, making, reconstruction, purchase, or otherwise acquiring of
14 any of the improvements provided for in the Community Improvement
15 District Act.

16 **Sec. 28.** After ordering any such improvements, other than payment
17 of contracts to other political subdivisions, as provided in the
18 Community Improvement District Act, the board of trustees or the
19 administrator may enter into a contract for the construction of such
20 improvement in one or more contracts, but no work shall be done or
21 contract let until notice to contractors has been published in a legal
22 newspaper of general circulation in the city or village where the
23 community improvement district is organized. The notice shall be
24 published the same day each week two consecutive weeks in such newspaper
25 and shall generally state (1) the extent of the work, (2) the kinds of
26 material to be bid upon, including in such notice all kinds of material
27 mentioned in the resolution as provided in section 25 of this act, (3)
28 the amount of the engineer's estimate of the cost of such improvements,
29 (4) the time when bids will be received, and (5) the amount of the
30 certified check or bid bond required to accompany the bids. Each bid
31 shall be accompanied in a separate sealed envelope by a certified check

1 or bid bond in an amount to be named in the notice, which amount shall be
2 not less than five percent of the engineer's total estimate of the cost,
3 and shall be made payable to the treasurer of the community improvement
4 district as security that the bidder to whom the contract may be awarded
5 will enter into a contract to build the improvements in accordance with
6 the notice to contractors and give bond in the sum named in such notice
7 for the construction of such improvements as the notice required. Checks
8 or bonds accompanying bids not accepted shall be returned to the bidders.
9 The work provided for in this section shall be done under written
10 contract with the lowest responsible bidder on the material selected
11 after the bids are opened and in accordance with the requirements of the
12 plans and specifications. The board of trustees or the administrator may
13 reject any or all bids received and advertise for new bids in accordance
14 with this section.

15 Sec. 29. If the contractor has furnished the community improvement
16 district all required records and reports, the community improvement
17 district shall pay the contractor interest at the rate specified in
18 section 39-1349, as such rate may from time to time be adjusted by the
19 Legislature, on any contract amount retained and the final payment due
20 the contractor beginning twenty days after completion of the work covered
21 by the contract under section 28 of this act. The contractor shall notify
22 the community improvement district in writing that the work has been
23 completed and the community improvement district, within twenty days
24 after receipt of such notice, shall give written notice to the contractor
25 of any objections by the community improvement district to acceptance of
26 the work.

27 Sec. 30. (1) After the completion of any work or purchase, the
28 engineer shall file with the clerk of the community improvement district,
29 and the clerk of the city or village, a certificate of acceptance. Such
30 work or purchase shall be considered accepted only after approval by the
31 city or village, and then by the board of trustees or the administrator

1 by resolution.

2 (2) Upon approval of the certificate of acceptance, if the board of
3 trustees determines special assessments are to be levied, the board of
4 trustees or administrator shall require the engineer to make a complete
5 statement of all the costs of any such improvements, a plat of the
6 property in the community improvement district, and a schedule of the
7 amount proposed to be assessed against each separate piece of property in
8 such community improvement district. The statement, plat, and schedule
9 shall be filed with the clerk of the community improvement district
10 within sixty days after the date of acceptance.

11 (3) The board of trustees or administrator shall set a time and
12 place for a hearing on the proposed assessments as provided in subsection
13 (6) of this section, then order the clerk of the community improvement
14 district to give notice of such hearing and that such statement, plat,
15 and schedules are on file in his or her office and that all objections
16 thereto or to prior proceedings on account of errors, irregularities, or
17 inequalities not made in writing and filed with the clerk of the
18 community improvement district within twenty days after the first
19 publication of such notice shall be deemed to have been waived. Such
20 notice shall be given by publication the same day each week two
21 consecutive weeks in a newspaper of general circulation published in the
22 city or village where the community improvement district was organized.
23 Such notice shall state the time and place where any objections, filed as
24 provided in this section, shall be considered by the board of trustees or
25 administrator.

26 (4) The cost of such improvements in the community improvement
27 district shall be levied as special assessments to the extent of special
28 benefits to the property. The complete statement of costs and the
29 schedule of proposed special assessments for such improvements shall be
30 given to the city or village where such community improvement district is
31 located within seven days after the first publication of notice of

1 statement, plat, and schedules. The city or village shall have the right
2 to be heard, and shall have the right of appeal from a final
3 determination by the board of trustees or administrator against
4 objections which such city or village has filed.

5 (5) Notice of the proposed special assessments for such improvements
6 against each separate piece of property shall be given to each owner of
7 record thereof within five days after the first publication of notice of
8 statement, plat, and schedules and, within five days after the first
9 publication of such notice, a copy thereof, along with statements of
10 costs and schedules of proposed special assessments, shall be given to
11 each person or company who, pursuant to written contract with the
12 community improvement district, has acted as underwriter or municipal
13 advisor for the community improvement district in connection with the
14 sale or placement of warrants or bonds issued by the community
15 improvement district. Each owner shall have the right to be heard and
16 shall have the right of appeal from the final determination made by the
17 board of trustees or administrator.

18 (6) The hearing on the proposed assessment shall be held by the
19 board of trustees or the administrator sitting as a board of adjustment
20 and equalization at the time and place specified in such notice and not
21 less than twenty days nor more than thirty days after the date of the
22 first publication, unless such session be adjourned, with provisions for
23 proper notice of such adjournment. At such meeting, the proposed
24 assessments shall be adjusted and equalized with reference to benefits
25 resulting from the improvement and shall not exceed such benefits.

26 Sec. 31. Any person or any city or village aggrieved may appeal to
27 the district court by filing a petition within twenty days after the
28 final determination under section 30 of this act. The court shall hear
29 and determine the appeal in a summary manner as in equity, without a
30 jury, and shall increase or reduce the special assessments as necessary
31 to ensure that the special assessments are in the full amount of the

1 special benefits and that the apportionment of benefits is equitable.

2 Sec. 32. (1) After the equalization of such special assessments as
3 required by the Community Improvement District Act, such special
4 assessments shall be levied by the board of trustees or the administrator
5 upon all lots or parcels of ground within the community improvement
6 district which are benefited by reason of such improvement, such levy to
7 be made within six months after acceptance of the improvement by the
8 board of trustees or the administrator. Failure to levy assessments
9 within such six-month period shall not invalidate assessments made after
10 the six-month period. Such special assessments may be reviewed, if for
11 any reason the levy thereof is void or not enforceable. Such levy shall
12 be enforced as other special assessments and any payments thereof under
13 previous levies shall be credited to the person or property making the
14 same. Not less than eleven and not more than twenty days after the
15 levying of any special assessment, the clerk of the community improvement
16 district shall certify such levy to the county treasurer and county clerk
17 of the county.

18 (2) If a notice of appeal from such levy has been filed with the
19 clerk of the community improvement district, he or she shall note on the
20 certificate of levy that an appeal has been commenced and that the
21 amounts of the assessments are subject to redetermination pursuant to the
22 appeal. All receipts given by the county treasurer for special
23 assessments as to which an appeal is pending shall show thereon that the
24 special assessment amount is subject to redetermination by the appeal.
25 Upon termination of any appeal, the clerk of the community improvement
26 district shall so certify to the county clerk and county treasurer. All
27 assessments made for such purposes shall be collected in the same manner
28 as general taxes and shall be subject to the same penalties or may be
29 collected pursuant to section 77-1917.01.

30 Sec. 33. (1) The board of trustees or the administrator shall not
31 cause the following property to be assessed for any of the improvements

1 provided for in the Community Improvement District Act: (a) Property by
2 law not assessable, (b) property not included within the area defined in
3 the preliminary resolution, and (c) property not benefited.

4 (2) The exemption in subsection (1) of this section does not apply
5 if the exempt property has been specially benefited by the improvements.
6 In such cases, the owner of such property shall pay the community
7 improvement district a sum equivalent to the amount the property has been
8 specially benefited, which amount may be recovered by the community
9 improvement district in an action against the property owner. If the
10 parties do not agree as to the amount of the special benefits, the amount
11 may be determined by the district court in an action brought by the
12 community improvement district for such purpose.

13 (3) The board of trustees or the administrator may find that any
14 part or all of such improvements made are of general benefit to the
15 community improvement district, and the board or administrator may levy
16 special assessments on all lots, parcels, or pieces of real estate
17 specially benefited to the extent of the special benefits to such
18 property. The cost of such improvements shall be paid from the
19 assessments levied against all the property in the community improvement
20 district, in the manner provided by section 36 of this act, or may be
21 paid from unappropriated money in its general fund. The cost of the
22 improvements shall draw interest at the rate of six percent per annum
23 from the date of acceptance thereof by the board or administrator until
24 warrants are issued for, or payment is otherwise provided, in payment of
25 the contract price.

26 Sec. 34. All special assessments provided for in section 32 of this
27 act shall become due in fifty days after the date of the levy and may be
28 paid within that time without interest, but if not so paid they shall
29 bear interest thereafter on a per annum basis until delinquent at the
30 greater of (1) the rate of interest accruing on warrants registered
31 against such community improvement district sixty days prior to the

1 actual levy of the special assessments or (2) the average rate of
2 interest accruing on the warrants issued to pay for the improvements for
3 which the special assessments are to be levied adjusted to the next
4 greater one-half percent. Such assessments shall become delinquent in
5 equal annual installments over such periods of years, not exceeding
6 twenty, as the board of trustees or the administrator may determine at
7 the time of making the levy. Delinquent installments shall bear interest
8 at the rate of two percent per annum above the rate set by the community
9 improvement district on such installments before delinquency, except that
10 no such rate shall exceed the rate specified in section 45-104.01, as
11 such rate may from time to time be adjusted by the Legislature. If three
12 or more installments shall be delinquent, the board of trustees or the
13 administrator may declare all of the remaining installments to be at once
14 delinquent and such installments declared delinquent shall bear interest
15 at the rate specified in section 45-104.01, as such rate may from time to
16 time be adjusted by the Legislature, until paid and may be collected the
17 same as other delinquent installments may be collected.

18 **Sec. 35.** All special assessments provided by the Community
19 Improvement District Act and all connection charges collected shall, when
20 levied, constitute a sinking fund for the purpose of paying the cost of
21 the improvements provided for in the Community Improvement District Act
22 with allowable interest thereon and shall be solely and strictly applied
23 to such purpose to the extent required. Any excess thereof may be by the
24 board or the administrator, after fully discharging the purposes for
25 which levied, transferred to such other fund or funds as the board of
26 trustees or the administrator may deem advisable.

27 **Sec. 36.** (1) For the purpose of paying the cost of public
28 infrastructure improvements and other corporate purposes as provided for
29 in the Community Improvement District Act, the board of trustees or the
30 administrator shall have the power to issue negotiable bonds of any such
31 community improvement district, to be called community improvement

1 district bonds, payable in not to exceed thirty years, and payable from
2 the maximum levy approved in the articles of association of the community
3 improvement district and other available funds. Each issue of bonds shall
4 mature or be subject to mandatory redemption so that the first principal
5 repayment is made not more than five years after the date of issuance and
6 so that at least twenty percent of the community improvement district's
7 bonds then outstanding shall be repaid within ten years after the date of
8 issuance. Such bonds shall bear interest payable annually or
9 semiannually. Such bonds may either be sold by the community improvement
10 district or delivered to the contractor in payment for the work but in
11 either case for not less than their par value. For the purpose of making
12 partial payments as the work progresses, warrants may be issued by the
13 board of trustees or the administrator upon certificates of the engineer
14 in charge showing the amount of work completed and materials necessarily
15 purchased and delivered for the orderly and proper continuation of the
16 project, in a sum not to exceed ninety-five percent of the cost thereof.

17 (2)(a) Warrants issued for capital outlays of the community
18 improvement district shall become due and payable not later than five
19 years from the date of issuance, except that such warrants need not be
20 retired on such date or within such five-year period and shall not be in
21 default if the district court of the county determines, upon application
22 by the community improvement district, that the community improvement
23 district does not have the funds to retire such warrants and either (i)
24 the community improvement district is unable to sell its bonds in an
25 amount sufficient to retire such warrants or (ii) an unreasonably high
26 tax levy, as compared to the levy on other similar property in the county
27 that is also located within a community improvement district, would be
28 required in order to cover the debt service requirements on bonds issued
29 to retire such warrants. Warrants issued to pay interest on capital
30 outlay warrants shall become due and payable in the same time as capital
31 outlay warrants.

1 (b) The community improvement district may file the application with
2 the district court either before or within ninety days after the due date
3 of the warrants, and no warrant for which an extension application has
4 been made to the district court and a hearing date set by the court shall
5 be in default while such application is pending before the court. Notice
6 of the filing of such application and the time and place of the hearing
7 thereon shall be published in a newspaper of general circulation in the
8 city or village the same day each week for three consecutive weeks.
9 Within five days after the first publication of such notice, the
10 community improvement district shall cause to be mailed, by United States
11 certified mail, a copy of such notice to each holder of warrants covered
12 by the application whose name and post office address are known to the
13 community improvement district. Prior to the hearing, proof of such
14 mailing shall be made by affidavit of a trustee of the community
15 improvement district, the administrator, or the community improvement
16 district's attorney that such mailing was made and further that the
17 community improvement district, its trustees or administrator, and its
18 attorney, after diligent investigation and inquiry, were unable to
19 ascertain and do not know the name and post office address of any holder
20 of such warrants other than those to whom notice has been mailed in
21 writing or who have waived notice in writing or entered an appearance in
22 the proceeding.

23 (c) Upon making its determination, the district court may make such
24 orders concerning retirement of the warrants as it determines proper
25 under the circumstances of the community improvement district, including
26 ordering an increase in the tax levy of the community improvement
27 district to provide funds for warrant redemption, except that no court-
28 ordered tax levy for redemption of warrants shall cause the total tax
29 levy of the community improvement district to be unreasonably high as
30 compared with the tax levy of other similar property in the county that
31 is also located within a community improvement district. Such warrants

1 shall draw interest, at such rate as fixed by the board of trustees or
2 the administrator and endorsed on the warrants, from the date of
3 presentation for payment and shall be redeemed and paid from the proceeds
4 of special assessments or from the sale of the bonds issued and sold as
5 provided in this section or from any other funds available for that
6 purpose. Bonds to redeem such warrants shall be issued as soon as
7 economically feasible, and to the extent warrants are not redeemed from
8 bond proceeds or other funds available for such purpose, the community
9 improvement district shall make a tax levy to provide a sinking fund for
10 warrant redemption, except that such obligation shall not require a total
11 tax levy by the community improvement district which shall be
12 unreasonably high as compared with the tax levy on other similar property
13 in the county that is also located within a community improvement
14 district. The board of trustees or the administrator shall pay to the
15 contractor interest at the rate specified in section 39-1349, as such
16 rate may from time to time be adjusted by the Legislature, on the amounts
17 due on partial and final payments, beginning thirty days after the
18 certification of the amounts due by the engineer in charge and approval
19 by the board of trustees or the administrator and running until the date
20 that the warrant is tendered to the contractor.

21 (d) A default on the bonds or warrants of a community improvement
22 district shall not constitute a debt or obligation of the city or village
23 where such community improvement district is located, the county, or the
24 state.

25 (3) Warrants issued for operation and maintenance expenses of the
26 community improvement district shall be issued not later than sixty days
27 following the date upon which the community improvement district is in
28 receipt of a bill for the amount of operation or maintenance expenses
29 owed, and such warrants shall become due and payable not later than three
30 years from the date of issuance. If a warrant for operation or
31 maintenance expenses is not issued within such sixty-day period, the

1 amount owed by the community improvement district shall bear interest
2 from the sixty-first day until the date upon which the warrant is issued
3 at a rate equivalent to one and one-half times the rate specified in
4 subsection (2) of section 45-104.02. The community improvement district
5 shall agree to pay annual or semiannual interest on all capital outlay
6 warrants issued by the community improvement district and shall issue
7 warrants to pay such interest or shall issue its warrants in return for
8 cash to pay such interest. Warrant interest not paid when due for lack of
9 funds shall be registered, bear interest, and be paid the same as is
10 provided in section 10-209 for bond coupons.

11 (4) The community improvement district may, if determined
12 appropriate by the board of trustees or the administrator, pay fees to
13 attorneys, municipal advisors, underwriters, and other professionals in
14 connection with the placement and registration of ownership of warrants
15 issued by the community improvement district.

16 (5) The board of trustees or the administrator may levy special
17 assessments on all lots, parcels, or pieces of real estate benefited by
18 the improvement to the extent of the benefits to such property. The
19 special assessments when collected shall be set aside and constitute a
20 sinking fund for the payment of the interest and principal of such bonds,
21 warrants, and other obligations of the community improvement district.

22 (6) In addition to the special assessments provided for in this
23 section, there shall be levied annually a tax upon the taxable value of
24 all the taxable property in such community improvement district which,
25 together with such sinking fund derived from special assessments, shall
26 be sufficient to meet payments of interest and principal on all bonds as
27 such become due, subject to the overall limit on the tax levy rate of
28 such community improvement district established upon formation of such
29 community improvement district. Such tax levy shall be known as the
30 community improvement district bond tax levy and shall be paid annually.

31 (7)(a) The board of trustees of any community improvement district

1 may provide for the publication of any resolution or other proceeding
2 adopted by it pursuant to the Community Improvement District Act in a
3 newspaper of general circulation published in the city or village where
4 the community improvement district is located. In the case of a
5 resolution or other proceeding providing for the issuance of bonds,
6 warrants, or other obligations, pursuant to the Community Improvement
7 District Act, the board of trustees or clerk of such community
8 improvement district may, either before or after the adoption of such
9 resolution or resolutions or other proceeding, in lieu of publishing the
10 entire resolution or resolutions or other proceeding, publish a notice of
11 intention to issue bonds, warrants, or other obligations under the
12 Community Improvement District Act, titled to indicate such intention,
13 containing:

14 (i) The name of the community improvement district;
15 (ii) The estimated principal amount of bonds, warrants, or other
16 obligations proposed to be issued and the timeframe when such issuance or
17 issuances are expected to occur;
18 (iii) The proposed or estimated principal maturity schedule or term
19 for such bonds, warrants, or other obligations;
20 (iv) The maximum rate of interest payable on any maturity of such
21 bonds, warrants, or other obligations; and
22 (v) The times and place where a copy of the form of resolution or
23 other proceeding providing for the issuance of the bonds, warrants, or
24 other obligations may be examined, which shall be located in the city or
25 village where the community improvement district is located or in the
26 office of the county clerk in the county where such community improvement
27 district is located, for a period of at least thirty days after the
28 publication of such notice. In the case of a notice regarding issuance of
29 warrants, the notice may include warrants expected to be approved by
30 multiple future resolutions or other proceedings and the form of
31 resolution or other proceedings may be general forms for such issuance.

1 (b) For a period of thirty days after such publication, any
2 interested person shall have the right to contest (i) the legality and
3 validity of each and all of the proceedings for the organization of such
4 community improvement district under the Community Improvement District
5 Act, from and including the petition for the organization of the
6 community improvement district, and all other proceedings which may
7 affect the legality or validity of the bonds, warrants, or other
8 obligations and the order of the sale and the sale thereof, (ii) any
9 provisions made for the security and payment of such bonds, warrants, or
10 other obligations, or (iii) any contract of purchase, sale, or lease
11 relating to the issuance of such bonds, warrants, or other obligations.
12 After such time no one shall have any cause of action to contest the
13 regularity, formality, or legality thereof for any cause whatsoever.

14 **Sec. 37.** (1) The community improvement district may be enlarged and
15 additional territory annexed to the community improvement district.
16 Initiation of any such enlargement shall be by petition filed with the
17 clerk of the community improvement district, signed by persons owning not
18 less than fifty percent of the area to be annexed. Upon approval by the
19 board of trustees of such community improvement district, the clerk of
20 the community improvement district shall file (a) an application for such
21 annexation with the city or village clerk with a request that the
22 annexation be approved, all in the same manner as approval of the initial
23 articles of association of such community improvement district pursuant
24 to the Community Improvement District Act and (b) notify the county
25 clerk, election commissioner, and register of deeds of each county or
26 counties in which the community improvement district is located of the
27 proposed annexation. The city or village clerk shall process any such
28 application in the same manner as an initial application for approval of
29 the articles of association for such community improvement district and
30 shall schedule a hearing, publish notices, and mail notices to any owner
31 of property in the area proposed to be annexed who did not sign the

1 petition for annexation. The city council or village board of trustees
2 may approve the proposed amendment by ordinance in a similar manner to
3 the initial articles of association as provided in the Community
4 Improvement District Act.

5 (2) All property, from and after annexation to the community
6 improvement district as provided in subsection (1) of this section, shall
7 be subject to all taxes and other burdens thereafter levied by the
8 community improvement district, regardless of when the obligation for
9 which the taxes or assessments are levied was incurred.

10 **Sec. 38.** (1) Whenever a majority of the board of trustees or the
11 administrator of any community improvement district organized under the
12 Community Improvement District Act desires that the community improvement
13 district shall be wholly dissolved, the trustees or administrator shall
14 first propose a resolution declaring the advisability of such dissolution
15 and setting out verbatim the terms and conditions thereof, and also
16 setting out the time and place when the board of trustees or
17 administrator shall meet to consider the adoption of such resolution.
18 Notice of the time and place when the resolution shall be set for
19 consideration shall be delivered to the city or village clerk and the
20 county clerk, election commissioner, and register of deeds of each county
21 or counties in which the community improvement district is located at
22 least forty-five days prior to such date. Notice of the time and place
23 when the resolution shall be set for consideration shall be published the
24 same day each week for two consecutive weeks in a newspaper of general
25 circulation published in the city or village where the community
26 improvement district was organized, which publication shall contain the
27 entire wording of the proposed resolution. The trustees or administrator
28 shall mail a copy of such proposed resolution to any city or village in
29 which any part of the community improvement district is located within
30 five days after the date of first publication of the resolution. The last
31 publication shall be not less than five days nor more than two weeks

1 prior to the time set for hearing on objections to the passage of the
2 resolution, at which hearing the owners of property within the community
3 improvement district, or any city or village in which any part of the
4 community improvement district is located, may appear and make objections
5 to the proposed resolution.

6 (2) If (a) a petition opposing the proposed resolution of
7 dissolution is signed by property owners representing a majority of the
8 area of real estate within the community improvement district or (b) a
9 resolution is adopted by the city council or village board of trustees
10 opposing such dissolution and either is presented to the board of
11 trustees or the administrator on or prior to the hearing date, then the
12 board of trustees or the administrator shall not adopt such resolution.

13 (3) If the owners representing a majority of the area of real estate
14 within the community improvement district fail to sign and present to the
15 board or to the administrator, on or prior to the hearing date, a written
16 petition opposing the proposed resolution of dissolution, or if a
17 resolution opposing such dissolution is not adopted by the village board
18 of trustees or city council, then a majority of the board of trustees or
19 the administrator may pass the resolution and thereby adopt the proposed
20 dissolution. After the board of trustees or the administrator has adopted
21 such resolution of dissolution, the clerk of the community improvement
22 district shall prepare and file a certified copy of the resolution of
23 dissolution in the office of the city or village clerk where the original
24 articles of association were filed and in the office of the Secretary of
25 State.

26 (4) A proposed resolution of dissolution shall not be adopted if the
27 community improvement district is obligated on any outstanding bonds,
28 warrants, or other debts or obligations unless the holders of such bonds,
29 warrants, or other debts or obligations shall all sign written consents
30 to the dissolution prior to the adoption of the resolution of
31 dissolution.

1 **Sec. 39.** (1) Whenever a majority of the respective boards of
2 trustees or the administrators of two community improvement districts
3 organized under the Community Improvement District Act, organized within
4 the same city or village shall desire that one of the community
5 improvement districts shall wholly merge into the other community
6 improvement district, the trustees or administrators shall first propose
7 a joint resolution declaring the advisability of such merger and setting
8 out verbatim the terms and conditions thereof and specifying which
9 community improvement district shall be the surviving community
10 improvement district, and also setting out the time and place when the
11 boards of trustees or administrators of the two community improvement
12 districts shall meet to consider the adoption of such resolution. Notice
13 of the time and place when the two community improvement districts shall
14 meet shall be delivered to the city or village clerk and the county
15 clerk, election commissioner, and register of deeds of each county or
16 counties in which the community improvement district is located at least
17 forty-five days prior to such date.

18 (2) The trustees or the administrators shall mail a copy of such
19 proposed joint resolution to the city or village clerk within five days
20 after the date of first publication of the published notice described in
21 this section. Notice of the time and place when such resolution shall be
22 set for consideration shall be published the same day each week for two
23 consecutive weeks in a newspaper of general circulation published in the
24 city or village where the community improvement districts were organized,
25 which publication shall contain the entire wording of the proposed
26 resolution. The last publication shall be not less than five days nor
27 more than two weeks prior to the time set for hearing on objections to
28 the passage of the resolution, at which hearing the owners of property
29 within either of the community improvement districts or the holders of
30 any unpaid bonds, warrants, or other obligations of either community
31 improvement district, or any city or village if any part of such

1 community improvement district or community improvement districts lies
2 within the area of its zoning jurisdiction, may appear and make
3 objections to the proposed resolution.

4 (3) If (a) a petition opposing the proposed resolution of merger is
5 signed by (i) property owners representing a majority of the area of real
6 estate within either community improvement district or (ii) any holder of
7 any unpaid bonds, warrants, or other obligations of either community
8 improvement district or (b) a resolution is adopted by the city council
9 or village board of trustees opposing such resolution of merger and if
10 any such petition or resolution is presented to the boards of trustees or
11 administrators on or prior to the hearing date, then the boards of
12 trustees or administrators shall not adopt such resolution.

13 (4) If a written petition or resolution opposing the proposed
14 resolution of merger is not filed, then a majority of the boards of
15 trustees or administrators of both community improvement districts may
16 pass the resolution and thereby adopt the proposed merger. Upon adoption
17 of the proposed resolution by the boards of trustees or administrators of
18 both community improvement districts, the clerk of the community
19 improvement district or the administrator from both community improvement
20 districts shall prepare and file a certified copy of such resolution of
21 merger in the office of the city or village clerk where the original
22 articles of association of the community improvement districts were filed
23 and in the office of the Secretary of State, and thereupon the surviving
24 community improvement district shall succeed to and become vested with
25 full title to all the property and property rights of every kind,
26 contracts, obligations, and choses in action of every kind held by or
27 belonging to the nonsurviving community improvement district, and the
28 surviving community improvement district shall also be liable for and
29 recognize, assume, and carry out all valid contracts and obligations of
30 the nonsurviving community improvement district including all outstanding
31 warrants, bonds, or other indebtedness. All taxes, assessments, and

1 demands of every kind due or owing to the nonsurviving community
2 improvement district shall be paid to and collected by the surviving
3 community improvement district.

4 (5) Upon the filing of the certified copies of the resolution of
5 merger as provided in this section, the corporate existence of the
6 nonsurviving community improvement district shall thereupon terminate and
7 the boundaries of the surviving community improvement district shall be
8 extended to include all the territory within the boundaries of the
9 nonsurviving community improvement district. A majority of the board of
10 trustees or the administrator of the surviving community improvement
11 district shall have power, from time to time, to give binding directions
12 in writing to the county treasurer of the county in which the surviving
13 community improvement district is located, directing that the treasurer
14 segregate the special assessment funds of the two community improvement
15 districts or directing the segregation of the other assets of the two
16 community improvement districts or directing the method and priority of
17 payment of registered warrants of the two community improvement
18 districts, or giving directions to the county treasurer as to other
19 problems of fiscal management of the affairs of the two community
20 improvement districts involved in the merger.

21 Sec. 40. (1) Whenever a majority of the board of trustees or the
22 administrator of any community improvement district organized under the
23 Community Improvement District Act, desires that any property within the
24 community improvement district be detached from the community improvement
25 district, the trustees or the administrator shall first propose a
26 resolution declaring the advisability of such detachment and setting out
27 verbatim the terms and conditions thereof and also setting out the time
28 and place when the board of trustees or the administrator will meet to
29 consider the adoption of such resolution. Notice of the time and place
30 when the resolution shall be set for consideration shall be delivered to
31 the city or village clerk and the county clerk, election commissioner,

1 and register of deeds of each county or counties in which the community
2 improvement district is located at least forty-five days prior to such
3 date. Notice of the time and place when the resolution shall be set for
4 consideration shall be published the same day each week for two
5 consecutive weeks in a newspaper of general circulation published in the
6 city or village where the community improvement district was organized,
7 which publication shall contain the entire wording of the proposed
8 resolution. The trustees or administrator shall mail a copy of such
9 proposed resolution to the city or village clerk of the city or village
10 in which any part of the community improvement district is located within
11 five days after the date of first publication of the resolution. The last
12 publication shall be not less than five days nor more than two weeks
13 prior to the time set for hearing on objections to the passage of the
14 resolution, at which hearing the owners of property within the community
15 improvement district, or any city or village in which any part of the
16 community improvement district is located, may appear and make objections
17 to the proposed resolution.

18 (2) If (a) a petition opposing the proposed resolution of detachment
19 is signed by property owners representing a majority of the area of real
20 estate within the community improvement district or (b) a resolution is
21 adopted by the city council or village board of trustees opposing the
22 proposed resolution of detachment and such petition or resolution is
23 presented to the board of trustees or to the administrator on or prior to
24 the hearing date, then the board of trustees or the administrator shall
25 not adopt such resolution.

26 (3) If the owners representing a majority of the area of real estate
27 within the community improvement district fail to sign and present to the
28 board of trustees or the administrator, on or prior to the hearing date,
29 a written petition opposing the proposed resolution of detachment, or if
30 the city council or village board of trustees fail to adopt a resolution
31 opposing such resolution of detachment, then a majority of the board of

1 trustees or the administrator may pass the resolution and thereby adopt
2 the proposed detachment. After the board of trustees or the administrator
3 has adopted such resolution of detachment, the clerk of the community
4 improvement district shall prepare and file a certified copy of the
5 resolution of detachment in the office of the city clerk where the
6 original articles of association were filed and in the office of the
7 Secretary of State, and thereupon the area detached shall become excluded
8 and detached from the boundaries of the community improvement district.

9 (4) A resolution of detachment proposed under this section shall not
10 be adopted if the community improvement district is indebted on any
11 outstanding bonds or warrants of the community improvement district
12 unless the holders of such bonds and warrants all sign written consents
13 to the detachment prior to the adoption of the resolution of detachment.

14 **Sec. 41.** When any land is a part of two community improvement
15 districts and the owners of such land desire that it be a part of only
16 one community improvement district, such owners shall file their request
17 with the trustees or the administrator of each community improvement
18 district. The trustees or the administrator of the community improvement
19 districts shall meet jointly and develop an agreement for the detachment
20 of the land from one of the community improvement districts and the
21 adjustment of indebtedness. If the trustees or administrators are unable
22 to reach an agreement, they shall file a petition in the district court
23 of the county in which such land is located and the court shall have
24 jurisdiction to detach the land and adjust the indebtedness. The clerk of
25 the community improvement district shall notify the clerk of each city or
26 village in which the community improvement districts are located and the
27 county clerk, election commissioner, and register of deeds of each county
28 or counties in which the community improvement districts are located of
29 the agreement for detachment or the filing of the petition in district
30 court.

31 **Sec. 42.** A petition may be filed with the district court of the

1 county in which a majority of the real property of a community
2 improvement district is located for referral of the community improvement
3 district to the Auditor of Public Accounts for the appointment of an
4 administrator of the community improvement district and suspension of the
5 authority of the board of trustees or other relief as provided by
6 sections 43 to 51 of this act. Such petition may be filed by: (1) A
7 majority of the board of trustees of the community improvement district;
8 (2) the holders of more than fifty percent in principal amount of the
9 outstanding bonds of the community improvement district; (3) the holders
10 of more than fifty percent in principal amount of outstanding
11 construction fund warrants of the community improvement district; (4) a
12 majority of the lessees permitted to vote pursuant to section 14 of this
13 act who are residents of the community improvement district and resident
14 property owners of the community improvement district; (5) the owners of
15 more than one-half of the real property within the community improvement
16 district; or (6) a city or village in which the community improvement
17 district is located and which exercises zoning jurisdiction over the
18 community improvement district. A petition filed by a city or village
19 pursuant to subdivision (6) of this section may be filed only on grounds
20 that the community improvement district has issued outstanding bonds or
21 construction fund warrants which have been in default for more than
22 ninety days or the community improvement district lacks a functioning
23 board of trustees.

24 Sec. 43. The court shall fix the time for the hearing of the
25 petition pursuant to section 42 of this act and shall order the clerk of
26 the court to give and publish a notice of the filing of the petition. The
27 notice shall be given by publication the same day of the week each week
28 for three consecutive weeks. Within five days after the first publication
29 of such notice, the petitioner shall cause to be mailed by United States
30 mail a copy of such notice to each holder of outstanding warrants and
31 bonds, to each member of the board of trustees if the board has not

1 petitioned for the appointment, to the city or village in which the
2 community improvement district is located, and to each person whose
3 property ownership is of record on the records of the register of deeds
4 at least thirty days and not more than forty days prior to the mailing of
5 a notice. Notice shall be sent to each bond and warrant holder, trustee,
6 and property owner whose name and post office address are known after
7 diligent investigation and inquiry. The notice shall state the time and
8 place fixed for the hearing of the petition and the prayer of the
9 petition, and that any person with an interest in the community
10 improvement district may, on or before the day fixed for the hearing of
11 the petition, move to join in, dismiss, or answer the petition. The
12 petition may be referred to and described in the notice as the petition
13 of (giving name of petitioner) praying for the referral
14 of the community improvement district to the Auditor of Public Accounts
15 for the appointment of an administrator of the community improvement
16 district and the suspension of the authority of the board of trustees of
17 such community improvement district to exercise the powers granted the
18 board of trustees under the Community Improvement District Act during the
19 period of such administrator's appointment.

20 Sec. 44. The petition shall state that the community improvement
21 district (1) has been in default for more than ninety days on its issued
22 and outstanding bonds or construction fund warrants of the community
23 improvement district, (2) has levied a tax upon the taxable value of the
24 taxable property in the community improvement district which, along with
25 the sinking fund derived from special assessments, has not been
26 sufficient to meet payments of interest and principal on the issued and
27 outstanding bonds of the community improvement district, (3) has failed
28 to levy special assessments on all lots, parcels, or pieces of real
29 property within the terms provided in section 32 of this act, or (4)
30 lacks a functioning board of trustees. The petition shall pray for
31 referral of the community improvement district to the Auditor of Public

1 Accounts for the appointment of an administrator for the community
2 improvement district and for an order suspending the authority of the
3 board of trustees of the community improvement district to exercise the
4 powers granted to such board pursuant to the Community Improvement
5 District Act during the period of such administrator's appointment or for
6 such other relief as the court may determine appropriate.

7 **Sec. 45.** Any person with an interest in the community improvement
8 district may join in the petition, move to dismiss the petition, or file
9 an answer to such petition. The rules of civil procedure relating to
10 motions and answers to a petition shall be applicable to motions and
11 answers to the petition in such special proceedings. The persons filing
12 motions to dismiss and answering the petition shall be the defendants to
13 the special proceedings, and the persons filing the petition or joining
14 in the petition shall be the plaintiffs. Every material statement of the
15 petition not specially controverted by the answer shall, for the purpose
16 of the special proceedings, be taken as true. Each person or party in
17 interest failing to answer the petition shall be deemed to admit as true
18 all the material statements of the petition. The rules of civil procedure
19 relating to pleading and practice which are not inconsistent with the
20 provisions of the Community Improvement District Act are applicable to
21 the special proceedings in sections 42 to 47 of this act.

22 **Sec. 46.** Upon the hearing of the special proceedings pursuant to
23 sections 42 to 47 of this act, the court shall, upon a finding that any
24 of the statements in subdivisions (1) through (4) of section 44 of this
25 act are true, that the petition has been properly filed and notice of the
26 petition has been duly given and published for the time and in the manner
27 prescribed in sections 42 to 47 of this act, and that it is in the best
28 interest of the community improvement district, have the power and
29 jurisdiction to issue an order which refers the community improvement
30 district to the Auditor of Public Accounts for appointment by the auditor
31 of an administrator from a list of not less than two names of persons

1 possessing real estate and financial expertise compiled by the court in
2 the proceedings, and which provides for the suspension of the authority
3 of the board of trustees of the community improvement district to
4 exercise the powers granted such board under the Community Improvement
5 District Act during the period of such administrator's appointment. In
6 the alternative or as additional relief, the court may order such other
7 relief as may be appropriate to cure the defects of the community
8 improvement district, including, but not limited to, (1) appointment of
9 trustees to serve until the next regular election, (2) calling a special
10 election to elect trustees which shall be conducted in the same manner as
11 other elections for trustees, and (3) directing the board of trustees to
12 levy taxes or special assessments as required by the Community
13 Improvement District Act. The cost of the special proceedings may be
14 allowed and apportioned between the parties in the discretion of the
15 court.

16 Sec. 47. Upon receipt of the order of the district court referring
17 the community improvement district to the Auditor of Public Accounts for
18 the appointment of an administrator, the auditor shall appoint an
19 administrator with authority, including all authority of the board of
20 trustees, chairperson, and clerk of the community improvement district,
21 to direct the affairs of the community improvement district pursuant to
22 the Community Improvement District Act unless the auditor shall determine
23 upon good cause that the appointment of an administrator would not be in
24 the best interests of the community improvement district. Within sixty
25 days after receipt of such order of the district court, the auditor shall
26 file with the court a certificate evidencing compliance with this section
27 and if the auditor determines not to appoint an administrator, such
28 certificate shall specify the grounds for the auditor's determination
29 that the appointment would not be in the best interest of the community
30 improvement district.

31 Sec. 48. Upon the issuance of a certificate of appointment by the

1 Auditor of Public Accounts to a designated community improvement district
2 administrator, the authority of the board of trustees of the community
3 improvement district to exercise the powers of the community improvement
4 district conferred by the Community Improvement District Act shall be
5 suspended. The administrator shall during the period of his or her
6 appointment possess all of the powers of the board of trustees and shall
7 possess exclusive authority to exercise the powers conferred in the
8 Community Improvement District Act.

9 Sec. 49. The board of trustees or the administrator shall have the
10 power to negotiate a scaling, a discounting, a reduction in interest
11 rate, or any other compromise of any or all of the bonds, warrants, or
12 other indebtedness of the community improvement district with the owners
13 or holders of such indebtedness. In order to carry out any compromise
14 agreements made, the board of trustees or the administrator shall have
15 the power to issue new bonds or warrants which may be delivered to the
16 holders or owners of the indebtedness being compromised or may be sold on
17 such terms as the board of trustees or administrator shall determine to
18 provide cash to carry out the compromise settlement. Before any new bonds
19 or warrants are issued, the terms of the compromise settlement shall be
20 approved by the district court for the county in which the community
21 improvement district or the greater portion of the community improvement
22 district is situated. Such review by the district court shall be limited
23 to the legality and validity of the new bonds or warrants to be issued,
24 and the decree of the district court determining the issuance of the new
25 bonds or warrants to be legal and valid shall be conclusive against the
26 community improvement district and all other persons having or claiming
27 any interest in the community improvement district. Notwithstanding any
28 other provision of law, the treasurer of the community improvement
29 district shall disburse funds of the community improvement district in
30 accordance with the compromise settlement approved by the district court.

31 Sec. 50. (1) The administrator may levy a separate tax upon the

1 taxable value of the taxable property in the community improvement
2 district which shall be known as the administration tax and which shall
3 be separately accounted for by the treasurer of the community improvement
4 district. Such tax shall be paid annually. Such tax may be used to pay
5 the fees and expenses of the administrator and his or her administration,
6 including the cost of audit services, legal services, and financial
7 advisory services ordered by the administrator.

8 (2) The administrator shall receive a minimum fee of five hundred
9 dollars per month during the term of his or her appointment. The
10 administrator shall also be entitled to reimbursement for his or her
11 actual and necessary expenses upon presentation of an accounting of his
12 or her expenses to the Auditor of Public Accounts. The monthly
13 administrator's fee provided for in this subsection shall be subject to
14 adjustment at any time during the term of the administrator's appointment
15 by the Auditor of Public Accounts. The factors to be considered by the
16 auditor in his or her determination to increase the administrator's fee
17 shall include the nature and extent of the administrator's services, the
18 complexity of the problems confronting the community improvement
19 district, and the value of the services of the administrator to the
20 community improvement district. The auditor shall also consider the cost
21 of obtaining comparable services of the administrator in the private
22 sector.

23 Sec. 51. The administrator shall serve at the pleasure of the
24 Auditor of Public Accounts or until the district court shall terminate
25 the authority of the auditor and the administrator. A petition for review
26 by the court of the original order may be filed by any person with an
27 interest in the community improvement district. The court shall have the
28 power to terminate the authority of the Auditor of Public Accounts and
29 the administrator upon its determination that none of the conditions set
30 forth in section 44 of this act exist or it is in the best interest of
31 the community improvement district that the authority of the

1 administrator be terminated. A termination of the authority of the
2 Auditor of Public Accounts and the administrator shall reinstate the
3 authority of the board of trustees pursuant to the Community Improvement
4 District Act.

5 **Sec. 52. For purposes of sections 52 to 59 of this act:**

6 (1) Filing clerk means the election commissioner or county clerk of
7 the county in which all or the largest portion of the land area
8 comprising a community improvement district is located;

9 (2) Qualified property owning voter means a person entitled to vote
10 as provided in section 14 of this act for all trustees of a community
11 improvement district other than those which may be elected only by
12 qualified resident voters; and

13 (3) Qualified resident voter means a person entitled to vote as
14 provided in section 14 of this act for all trustees of a community
15 improvement district.

16 **Sec. 53. (1) A trustee of a community improvement district may be**
17 removed from office by recall pursuant to sections 52 to 59 of this act.
18 A petition for an election to recall a trustee shall be sufficient if it
19 complies with the requirements of this section.

20 (2) The signers of the petition shall be persons who were, on the
21 date the initial petition papers are issued under subsection (7) of this
22 section, eligible to vote in a community improvement district election as
23 provided in section 14 of this act. A person's eligibility to sign a
24 petition shall be the same as the person's eligibility to cast one or
25 more votes at a community improvement district election under section 14
26 of this act. Only one person shall be allowed to sign on behalf of joint
27 owners of property in the community improvement district or on behalf of
28 a public, private, or municipal corporation that owns property in the
29 community improvement district. If the trustee whose recall is sought was
30 elected by vote of resident owners only, then only resident owners shall
31 be allowed to sign the petition. If the trustee whose recall is sought

1 was elected by vote of all owners of property, then all owners shall be
2 allowed to sign the petition. For purposes of this section, resident
3 owner means qualified resident voter and all owners means all qualified
4 resident voters and all qualified property owning voters.

5 (3) The filing clerk shall assign to each signature a count equal to
6 the number of votes that the signer was eligible to cast on the date he
7 or she signed. The number of votes that a signer was eligible to cast
8 shall be based on section 14 of this act. If the signature was made by or
9 for an owner of more than one parcel of property, the signature made by
10 or on behalf of such owner shall be assigned a count equal to the total
11 number of votes which the owner was eligible to cast.

12 (4) The filing clerk shall total the count assigned to the
13 signatures on the petition. The petition shall be sufficient if the total
14 is at least equal to thirty-five percent of the highest number of votes
15 that were cast for a candidate at the previous community improvement
16 district election for the trustee positions in the same category as the
17 trustee whose recall is sought by the petition. The categories of
18 trustees shall be the same as provided in section 14 of this act.

19 (5) The signatures shall be affixed to petition papers and shall be
20 considered part of the petition.

21 (6) The petition papers shall be procured from the filing clerk.
22 Prior to the issuance of such petition papers, a recall petition filing
23 form shall be signed and filed with the filing clerk by (a) at least one
24 qualified resident voter of the district if the trustee whose recall is
25 being sought was elected solely by qualified resident voters or (b) at
26 least one qualified resident voter or qualified property owning voter if
27 the trustee whose recall is being sought was elected by qualified
28 resident voters and qualified property owning voters. Such voter or
29 voters shall be deemed to be the principal circulator or circulators of
30 the recall petition. The filing form shall state the name of the trustee
31 sought to be removed and whether qualified property owning voters

1 participated in the election of the trustee and shall request that the
2 filing clerk issue initial petition papers to the principal circulator
3 for circulation. The filing clerk shall notify the principal circulator
4 or circulators that the necessary signatures must be gathered within
5 thirty days after the date of issuing the petitions.

6 (7) The filing clerk, upon issuing the initial petition papers or
7 any subsequent petition papers, shall enter in a record, to be kept in
8 his or her office, the name of the principal circulator or circulators to
9 whom the papers were issued, the date of issuance, the number of papers
10 issued, and whether qualified property owning voters may participate in
11 signing the petitions. The filing clerk shall certify on the papers the
12 name of the principal circulator or circulators to whom the papers were
13 issued, the date they were issued, and whether qualified property owning
14 voters may participate in signing the petitions. No petition paper shall
15 be accepted as part of the petition unless it bears such certificate. The
16 principal circulator or circulators who check out petitions from the
17 filing clerk may distribute such petitions to persons who may act as
18 circulators of such petitions.

19 Sec. 54. (1) The Secretary of State shall design the uniform
20 petition papers to be distributed by all filing clerks for use in the
21 recall of trustees of community improvement districts and shall keep a
22 sufficient number of such blank petition papers on file for distribution
23 to any filing clerk requesting recall petitions.

24 (2) Each petition paper presented to a qualified voter for his or
25 her signature shall clearly indicate at the top (a) whether the trustee
26 whose recall is being sought was elected solely by qualified resident
27 voters, (b) whether the signatories must be qualified resident voters or
28 may include qualified property owning voters, (c) that the signatories
29 must support the holding of a recall election for the trustee, (d) the
30 name of the individual sought to be recalled, and (e) a general statement
31 of the reason or reasons for which recall is sought.

1 (3) Each petition paper shall contain a statement, entitled
2 Instructions to Petition Circulators, prepared by the Secretary of State
3 to assist circulators in understanding the provisions governing the
4 petition process established by sections 52 to 59 of this act. The
5 instructions shall include the following statement: No one circulating
6 this petition paper in an attempt to gather signatures shall sign the
7 circulator's affidavit unless each person who signed the petition paper
8 did so in the presence of the circulator.

9 **Sec. 55.** (1) The principal circulator or circulators shall file, as
10 one instrument, all petition papers comprising a recall petition for
11 signature verification with the filing clerk within thirty days after the
12 filing clerk issues the initial petition papers to the principal
13 circulator or circulators as provided in section 53 of this act.

14 (2) Within fifteen days after the filing of the petition, the filing
15 clerk shall ascertain whether or not the petition is signed by sufficient
16 qualified resident voters and qualified property owning voters as
17 provided in section 53 of this act. No new signatures may be added after
18 the initial filing of the petition papers. No signatures may be removed
19 unless the filing clerk receives an affidavit signed by the person
20 requesting that his or her signature be removed before the petitions are
21 filed with the filing clerk for signature verification.

22 (3) If the petition is found to be sufficient, the filing clerk
23 shall attach to the petition a certificate showing the result of such
24 examination. If the petition is found not to be sufficient, the filing
25 clerk shall file the petition in his or her office without prejudice to
26 the filing of a new petition for the same purpose.

27 **Sec. 56.** (1) If the recall petition is found to be sufficient, the
28 filing clerk shall notify the trustee whose removal is sought and the
29 board of trustees of the community improvement district that sufficient
30 signatures have been gathered.

31 (2) If the trustee does not resign within five days after receiving

1 the notice, the filing clerk shall order an election to be held not less
2 than forty-five days nor more than sixty days after the expiration of the
3 five-day period, except that if an election for the board of trustees of
4 the community improvement district is to be held within one hundred
5 twenty days after the expiration of the five-day period, the filing clerk
6 shall provide for the holding of the removal election at the time of such
7 regular election. The recall election shall be conducted in the same
8 manner as an election for members of the board of trustees as provided in
9 section 14 of this act. After the filing clerk sets the date for the
10 recall election, the recall election shall be held regardless of whether
11 the trustee whose removal is sought resigns before the recall election is
12 held.

13 **Sec. 57.** The form of the official ballot at a recall election
14 conducted pursuant to section 56 of this act shall conform to the
15 requirements of this section. With respect to each trustee whose removal
16 is sought, the question shall be submitted: Shall (name of trustee) be
17 removed from the office of trustee? Immediately following each such
18 question there shall be printed on the ballot the two responses: Yes and
19 No. Immediately to the left of each response shall be placed a square or
20 oval in which the voters qualified to vote for the trustee in a regular
21 election may vote for one of the responses by making a cross or other
22 clear, identifiable mark. The name of the trustee which shall appear on
23 the ballot shall be the name of the trustee that appeared on the ballot
24 of the previous election that included his or her name.

25 **Sec. 58.** (1) If a majority of the votes cast at a recall election
26 are against the removal of the trustee named on the ballot or the
27 election results in a tie, the trustee shall continue in office for the
28 remainder of his or her term.

29 (2) If a majority of the votes cast at a recall election are for the
30 removal of the trustee named on the ballot, he or she shall, regardless
31 of any technical defects in the recall petition, be deemed removed from

1 office unless a recount is ordered. If the trustee is deemed removed, the
2 removal shall result in an immediate vacancy in the office from the date
3 of the election. The vacancy shall be filled as provided in subsection
4 (2) of section 14 of this act.

5 (3) If there are vacancies in the offices of a majority or more of
6 the members of the board of trustees at one time due to the recall of
7 such members, a special election to fill such vacancies shall be
8 conducted as expeditiously as possible by the filing clerk in the manner
9 specified in section 14 of this act.

10 (4) No trustee who is removed at a recall election or who resigns
11 after the initiation of the recall process shall be appointed to fill the
12 vacancy resulting from his or her removal or the removal of any other
13 member of the same board of trustees during the remainder of his or her
14 term of office.

15 **Sec. 59.** No recall petition filing form shall be filed against a
16 trustee under section 53 of this act within twelve months after a recall
17 election has failed to remove him or her from office, within six months
18 after the beginning of his or her term of office, or within six months
19 prior to the incumbent filing deadline for the office.

20 **Sec. 60.** Since an emergency exists, this act takes effect when
21 passed and approved according to law.