

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 171

Introduced by McKinney, 11.

Read first time January 09, 2023

Committee:

1 A BILL FOR AN ACT relating to metropolitan utilities districts; to amend
2 sections 13-2802, 14-2101, 14-2102, 14-2103, 14-2104, 14-2105,
3 14-2106, 14-2107, 14-2108, 14-2109, 14-2110, 14-2111, 14-2112,
4 14-2113, 14-2114, 14-2115, 14-2116, 14-2117, 14-2118, 14-2119,
5 14-2120, 14-2121, 14-2122, 14-2123, 14-2124, 14-2125, 14-2126,
6 14-2127, 14-2128, 14-2129, 14-2130, 14-2131, 14-2132, 14-2133,
7 14-2134, 14-2135, 14-2136, 14-2137, 14-2138, 14-2139, 14-2141,
8 14-2142, 14-2143, 14-2144, 14-2145, 14-2146, 14-2147, 14-2148,
9 14-2149, 14-2150, 14-2151, 14-2152, 14-2153, 14-2154, 14-2155,
10 14-2156, 14-2157, 32-540, 60-336.02, 66-1861, and 71-6316, Reissue
11 Revised Statutes of Nebraska, and sections 32-567, 84-304, and
12 84-304.02, Revised Statutes Cumulative Supplement, 2022; to change
13 provisions relating to metropolitan utilities districts; to name the
14 Metropolitan Utilities District Act; to eliminate obsolete
15 provisions; to harmonize provisions; to provide a duty for the
16 Revisor of Statutes; and to repeal the original sections.
17 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2802, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-2802 Whenever creation of a municipal county is proposed
4 involving a city of the metropolitan class, the interjurisdictional
5 planning commission shall include in its plan a recommendation with
6 regard to the territory within which any metropolitan utilities district
7 shall have and may exercise the power of eminent domain pursuant to
8 subsection (2) of section 18 of this act ~~14-2116~~. The plan shall further
9 include a recommendation with regard to the territory which shall be
10 deemed to be within the corporate boundary limits or extraterritorial
11 zoning jurisdiction of a municipality or a municipality dissolved by the
12 creation of the municipal county for purposes of the State Natural Gas
13 Regulation Act. The question of creation of the municipal county shall
14 not be submitted to a vote under section 13-2810 until a law adopting the
15 provisions required by this section has been enacted.

16 Sec. 2. Sections 2 to 58 of this act shall be known and may be
17 cited as the Metropolitan Utilities District Act.

18 Sec. 3. Section 14-2101, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 ~~14-2101~~ Whenever in this state a city of the metropolitan class and
21 one or more adjacent municipalities, sanitary and improvement districts,
22 or unincorporated areas are served in whole or in part by a common public
23 utilities system, owned and controlled by a single corporate public
24 entity as provided for in the Metropolitan Utilities District Act
25 ~~sections 14-2101 to 14-2157~~, then the territory within the limits of such
26 ~~the~~ city of the metropolitan class and such adjacent municipalities,
27 sanitary and improvement districts, or unincorporated areas, including
28 any sanitary and improvement district or unincorporated area outside of
29 such ~~without~~ the city of the metropolitan class or adjacent
30 municipalities that may be ~~now or hereafter~~ served in whole or in part by
31 the common public utilities system, shall form and constitute a

1 metropolitan public utilities district, except as provided in this
2 section, to be known as the Metropolitan Utilities District
3 of (inserting the name of the city of the
4 metropolitan class). A municipality, other than a city ~~not~~ of the
5 metropolitan class, ~~now actually~~ operating a general waterworks system of
6 its own, shall not be included in such metropolitan ~~the~~ utilities
7 district so long as such municipality ~~it~~ continues to operate its own
8 water plant. No sanitary and improvement district or unincorporated area
9 outside of such ~~without the~~ adjacent municipalities shall become a part
10 of such metropolitan ~~the~~ utilities district except upon formal approval
11 and proclamation by the board of directors of such metropolitan utilities
12 district.

13 Sec. 4. Section 14-2102, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~14-2102~~ Within the service area of a ~~(1) In each~~ metropolitan
16 utilities district ~~service area~~, there shall be a board of directors
17 consisting of seven members. The members shall be elected as provided in
18 section 32-540. ~~(2)~~ Registered voters within the boundaries of a
19 metropolitan utilities ~~the~~ district shall be registered voters of such
20 district. A registered voter of the district shall be eligible for the
21 office of director ~~subject to the special qualification of residence for~~
22 ~~the outside member, except that if the board of directors, by resolution,~~
23 ~~divides the territory of the district into election subdivisions pursuant~~
24 ~~to subsection (2) of section 32-540, a registered voter of the district~~
25 ~~shall be eligible for the office of director from the election~~
26 ~~subdivision in which~~ such registered voter ~~he or she~~ resides.

27 ~~(3) The outside member specified in section 32-540 shall be a~~
28 ~~registered voter residing within the district but outside the corporate~~
29 ~~limits of the city of the metropolitan class for which the district was~~
30 ~~created.~~

31 ~~In the event of the annexation of the area within which the outside~~

1 ~~member resides, he or she may continue to serve as the outside member~~
2 ~~until the expiration of the term of office for which such member was~~
3 ~~elected and until a successor is elected and qualified.~~

4 Sec. 5. Section 14-2103, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 ~~14-2103~~ Whenever a metropolitan utilities district is extended to
7 include sanitary and improvement districts, unincorporated area, cities
8 ~~towns~~, villages, or territory lying outside the corporate limits of a
9 city ~~cities~~ of the metropolitan class or so extended as to include
10 sanitary and improvement districts, unincorporated areas, cities ~~area,~~
11 ~~towns~~, or villages in an adjoining county or counties, then registered
12 voters within such sanitary and improvement districts, unincorporated
13 areas, cities ~~area, towns~~, or villages shall have a right to participate
14 in the nomination and ~~in the~~ election of members of the board of
15 directors of the metropolitan utilities district. The election
16 commissioner or county clerk of each of the counties in which ballots are
17 cast pursuant to this section shall transmit, by mail or otherwise, to
18 the Secretary of State, a copy of the abstract of the votes cast for
19 members of the board of directors. The Secretary of State shall ~~in due~~
20 ~~course~~ deliver to the candidate receiving the highest number of votes a
21 certificate of election as a member of the board of directors. All
22 filings for such office shall be made with the Secretary of State.

23 Sec. 6. Section 14-2104, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~14-2104~~ (1) Any vacancy occurring on ~~in~~ the board of directors of a
26 metropolitan utilities district shall be filled for the unexpired term by
27 the remaining members of such board ~~thereof~~ within thirty days after the
28 vacancy occurs. ~~It is the intent and purpose to render the board of~~
29 ~~directors nonpartisan in character.~~

30 (2) The chairperson of the board of directors of a metropolitan
31 utilities district shall be paid, as compensation for such director's ~~his~~

1 ~~or her~~ services, not to exceed the sum of one thousand two hundred sixty
2 dollars per month. ~~The Each of the~~ other members of the board of
3 directors shall each be paid, as compensation for their ~~his or her~~
4 services, not to exceed the sum of one thousand one hundred twenty
5 dollars per month. Any adjustments in compensation shall be made only at
6 regular meetings of the board of directors, and the salaries of the
7 chairperson and other members of such board shall not be increased more
8 often than once in any calendar year.

9 (3) Members of the board of directors may be considered employees of
10 the district for purposes of participation in medical and dental plans of
11 insurance offered to regular employees. The dollar amount of any health
12 insurance premiums paid from the funds of the district for the benefit of
13 a member of the board of directors may be in addition to the amount of
14 compensation authorized to be paid to such director pursuant to this
15 section.

16 (4) The chairperson and other members of such board of directors
17 shall also be reimbursed for actual and necessary expenses incurred in
18 the performance of their official duties.

19 Sec. 7. Section 14-2105, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~14-2105~~ Regular meetings of the board of directors of a metropolitan
22 utilities district shall be held each calendar month at such hour and on
23 such date as the board may designate and at such other stated times as
24 shall be fixed in the bylaws of such district. Special meetings of the
25 board of directors may be held at any time at the call of the chairperson
26 or at the request of any two members filed in writing with the secretary.
27 All meetings of the board of directors, any committee of such board ~~of~~
28 ~~its committees~~, or any committee ~~committees~~ of the ~~its~~ employees of a
29 metropolitan utilities district shall be public.

30 Sec. 8. Section 14-2106, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 ~~14-2106~~ The ~~Upon organization~~ such board of directors of a
2 metropolitan utilities district shall elect one of its members
3 chairperson and one vice-chairperson, both of whom shall serve for one
4 year, and shall appoint a secretary as provided in section 11 of this act
5 ~~14-2109~~. The board of directors shall make such rules governing its
6 procedure and adopt such bylaws governing its business as the board ~~it~~
7 may deem proper. A majority of the board of directors shall constitute a
8 quorum for the transaction of business, but a smaller number may adjourn
9 from time to time until a quorum is secured.

10 Sec. 9. Section 14-2107, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 ~~14-2107~~ The board of directors of a ~~the~~ metropolitan utilities
13 district or any committee of the members of such ~~the~~ board shall have
14 power to compel the attendance of witnesses for investigation of any
15 matters that may come before the board, and the presiding officer of the
16 board, ~~or the chairperson of the committee for the time being,~~ may
17 administer the requisite oaths. Such ~~, and the~~ board or committee thereof
18 shall have the same authority to compel the giving of testimony as is
19 conferred on courts of justice.

20 Sec. 10. Section 14-2108, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~14-2108~~ It shall be unlawful for any member of the board of
23 directors or any employee of a metropolitan utilities district ~~thereof~~ to
24 have any pecuniary interest, either directly or indirectly, in any
25 contract in connection with the construction or maintenance of water or
26 natural gas utilities of such metropolitan utilities district or be in
27 any way connected with the furnishing of supplies required by such ~~the~~
28 district.

29 Sec. 11. Section 14-2109, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 ~~14-2109~~ The board of directors of a metropolitan utilities district

1 shall ~~at its first regular meeting~~ appoint an individual with an official
2 title designated by the board who shall (1) act as secretary of such
3 board, (2) have general supervision of the management, construction,
4 operation, and maintenance of any ~~the~~ utility plants and property under
5 the jurisdiction of or owned by such metropolitan utilities district,
6 subject to the direction of the board, (3) hold office at the pleasure of
7 the board, (4) possess business training, executive experience, and
8 knowledge of the development and operation of public utilities, (5)
9 receive such compensation as the board may determine, and (6) devote such
10 individual's ~~his or her~~ exclusive time to the duties of the office. The
11 board of directors may employ or authorize the employment of such other
12 employees ~~and assistants~~ as may be deemed necessary for the operation and
13 maintenance of any ~~the~~ utility plants under its jurisdiction and of the
14 conduct of the affairs of the board and provide for their compensation.
15 The compensation of the appointed individual and such employees shall be
16 paid from funds of the metropolitan utilities district ~~under control of~~
17 ~~the board~~. In no event shall the compensation, as a salary or otherwise,
18 of any employee or officer of a metropolitan utilities district exceed
19 ten thousand dollars annually ~~per annum~~ unless approved by a vote of two-
20 thirds or more of the members of the board of directors. The record of
21 such vote of approval, ~~together with the names of the directors so~~
22 ~~voting,~~ shall be recorded in the minutes ~~made a part of the permanent~~
23 ~~records of the board~~.

24 Sec. 12. Section 14-2110, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 ~~14-2110~~ No regular appointee or employee of a ~~the~~ metropolitan
27 utilities district, except the individual appointed in section 11 of this
28 act 14-2109, who has been appointed or employed by such district ~~in its~~
29 ~~service~~ consecutively for more than one year shall be subject to removal
30 except upon a two-thirds vote of the full board of directors and then
31 only for cause which shall be stated in writing and filed with the

1 secretary of the board at least ten days prior to a hearing preceding
2 such removal.

3 Sec. 13. Section 14-2111, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 ~~14-2111~~ (1) The board of directors of a any metropolitan utilities
6 district may ~~also~~ provide benefits for, insurance of, and annuities for
7 the present and future employees and appointees of such ~~the~~ district
8 covering accident, disease, death, total and permanent disability, and
9 retirement, all or any of them, under such terms and conditions as the
10 board may deem proper and expedient ~~from time to time~~. Any retirement
11 plan adopted by the board of directors shall be upon some contributory
12 basis requiring contributions by both the metropolitan utilities district
13 and the employee or appointee, except that such ~~the~~ district may pay the
14 entire cost of the fund necessary to cover service rendered prior to the
15 adoption of any new retirement plan. Any retirement plan shall take into
16 consideration the benefits provided for employees and appointees of
17 metropolitan utilities districts under the Social Security Act, and any
18 benefits provided under a contributory retirement plan shall be
19 supplemental to the benefits provided under the Social Security Act as
20 defined in section 68-602 if the employees entitled to vote in a
21 referendum vote in favor of old age and survivors' insurance coverage. To
22 effectuate any plan adopted pursuant to this authority, the board of
23 directors of a metropolitan utilities ~~the~~ district shall have the power
24 ~~is empowered~~ to establish and maintain reserves and funds, provide for
25 insurance premiums and costs, and make such delegation as may be
26 necessary to carry out ~~into execution~~ the general powers granted by this
27 section. Payments made to employees and appointees, under the authority
28 in this section, shall be exempt from attachment or other legal process
29 and shall not be assignable.

30 (2) Any retirement plan adopted by the board of directors of a any
31 metropolitan utilities district may allow such ~~the~~ district to pick up

1 the employee contribution required by this section for all compensation
2 paid on or after January 1, 1986, and the contributions so picked up
3 shall be treated as employer contributions in determining federal tax
4 treatment under the Internal Revenue Code, except that the employer shall
5 continue to withhold federal income taxes based upon such contributions
6 until the Internal Revenue Service or the federal courts rule that,
7 pursuant to section 414(h) of the Internal Revenue Code, such
8 contributions shall not be included as gross income of the employee until
9 such time as they are distributed or made available. The employer shall
10 pay the employee contributions from the same source of funds which is
11 used in paying earnings to the employees. The employer shall pick up the
12 contributions by a salary deduction either through a reduction in the
13 cash salary of the employee or a combination of a reduction in salary and
14 offset against a future salary increase. Employee contributions picked up
15 shall be treated in the same manner and to the same extent as employee
16 contributions made prior to the date picked up.

17 ~~(3) Beginning December 31, 1998, through December 31, 2017:~~

18 ~~(a) The chairperson of the board shall file with the Public~~
19 ~~Employees Retirement Board an annual report on each retirement plan~~
20 ~~established pursuant to this section and section 401(a) of the Internal~~
21 ~~Revenue Code and shall submit copies of such report to the Auditor of~~
22 ~~Public Accounts. The Auditor of Public Accounts may prepare a review of~~
23 ~~such report pursuant to section 84-304.02 but is not required to do so.~~
24 ~~The annual report shall be in a form prescribed by the Public Employees~~
25 ~~Retirement Board and shall contain the following information for each~~
26 ~~such retirement plan:~~

27 ~~(i) The number of persons participating in the retirement plan;~~

28 ~~(ii) The contribution rates of participants in the plan;~~

29 ~~(iii) Plan assets and liabilities;~~

30 ~~(iv) The names and positions of persons administering the plan;~~

31 ~~(v) The names and positions of persons investing plan assets;~~

- 1 ~~(vi) The form and nature of investments;~~
2 ~~(vii) For each defined contribution plan, a full description of~~
3 ~~investment policies and options available to plan participants; and~~
4 ~~(viii) For each defined benefit plan, the levels of benefits of~~
5 ~~participants in the plan, the number of members who are eligible for a~~
6 ~~benefit, and the total present value of such members' benefits, as well~~
7 ~~as the funding sources which will pay for such benefits.~~

8 ~~If a plan contains no current active participants, the chairperson~~
9 ~~may file in place of such report a statement with the Public Employees~~
10 ~~Retirement Board indicating the number of retirees still drawing~~
11 ~~benefits, and the sources and amount of funding for such benefits; and~~

12 ~~(b) If such retirement plan is a defined benefit plan which was open~~
13 ~~to new members on January 1, 2004, in addition to the reports required by~~
14 ~~section 13-2402, the board of directors of any metropolitan utilities~~
15 ~~district shall cause to be prepared an annual report and shall file the~~
16 ~~same with the Public Employees Retirement Board and the Nebraska~~
17 ~~Retirement Systems Committee of the Legislature and submit to the Auditor~~
18 ~~of Public Accounts a copy of such report. The Auditor of Public Accounts~~
19 ~~may prepare a review of such report pursuant to section 84-304.02 but is~~
20 ~~not required to do so. If the board of directors does not submit a copy~~
21 ~~of the report to the Auditor of Public Accounts within six months after~~
22 ~~the end of the plan year, the Auditor of Public Accounts may audit, or~~
23 ~~cause to be audited, the metropolitan utilities district. All costs of~~
24 ~~the audit shall be paid by the metropolitan utilities district. The~~
25 ~~report shall consist of a full actuarial analysis of each such retirement~~
26 ~~plan established pursuant to this section. The analysis shall be prepared~~
27 ~~by an independent private organization or public entity employing~~
28 ~~actuaries who are members in good standing of the American Academy of~~
29 ~~Actuaries, and which organization or entity has demonstrated expertise to~~
30 ~~perform this type of analysis and is unrelated to any organization~~
31 ~~offering investment advice or which provides investment management~~

1 ~~services to the retirement plan. The report to the Nebraska Retirement~~
2 ~~Systems Committee shall be submitted electronically.~~

3 ~~(3)(a) Each~~ (4)(a) ~~Beginning December 31, 2018, and each~~ December 31
4 thereafter, for a defined benefit plan the chairperson of the board of of
5 directors of a metropolitan utilities district or the chairperson's his
6 ~~or her~~ designee shall prepare and electronically file an annual report
7 with the Auditor of Public Accounts and the Nebraska Retirement Systems
8 Committee of the Legislature. If such retirement plan is a defined
9 benefit plan which was open to new members on January 1, 2004, the report
10 shall be in addition to the reports required by section 13-2402. The
11 report shall be on a form prescribed by the Auditor of Public Accounts
12 and shall include, but not be limited to, the following information:

13 (i) The levels of benefits of participants in the plan, the number
14 of members who are eligible for a benefit, the total present value of
15 such members' benefits, and the funding sources which will pay for such
16 benefits; and

17 (ii) A copy of a full actuarial analysis of each such defined
18 benefit plan. The analysis shall be prepared by an independent private
19 organization or public entity employing actuaries who are members in good
20 standing of the American Academy of Actuaries, and which organization or
21 entity has demonstrated expertise to perform this type of analysis and is
22 unrelated to any organization which offers investment advice or provides
23 investment management services to the retirement plan.

24 (b) The Auditor of Public Accounts may prepare a review of such
25 report pursuant to section 84-304.02 but is not required to do so. If the
26 board of directors of any metropolitan utilities district does not submit
27 a copy of the report to the Auditor of Public Accounts within six months
28 after the end of the plan year, the Auditor of Public Accounts may audit,
29 or cause to be audited, such ~~the~~ district. All costs of the audit shall
30 be paid by the district.

31 Sec. 14. Section 14-2112, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~14-2112~~ A metropolitan utilities district shall be a body corporate
3 and possess all the usual powers of a corporation for public purposes and
4 in its name may sue and be sued and purchase, hold, and sell personal
5 property and real estate. A metropolitan utilities district ~~It~~ shall have
6 the sole management and control of its assets, including all utility
7 rents, revenue, and income authorized by law, all utility property, real
8 and personal, ~~now or hereafter~~ owned by the metropolitan utilities
9 district or which may become a part of the common utilities system. A
10 metropolitan utilities district ~~It~~ may exercise any and all the powers
11 that are now or may be granted to cities and villages by the general
12 statutes of this state for the construction or extension of utilities.

13 Sec. 15. Section 14-2113, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~14-2113~~ The board of directors of a ~~the~~ metropolitan utilities
16 district shall have general charge, supervision, and control of all
17 matters pertaining to the natural gas supply and the water supply of the
18 district for domestic, mechanical, public, and fire purposes, including ~~-~~
19 ~~This shall include~~ the general charge, supervision, and control of the
20 design, construction, operation, maintenance, and extension or
21 improvement of the necessary plant to supply natural gas, to develop
22 power, and to pump water. The board of directors ~~It~~ shall have the
23 authority to enter upon and utilize streets, alleys, and public grounds
24 ~~therefor~~ upon due notice to the proper authorities controlling such
25 streets, alleys, and public grounds ~~same~~, subject to the provisions of
26 sections 39-1361 and 39-1362, except that while any permit hereafter
27 granted by the Department of Transportation under such provisions shall
28 not be construed to be a contract as referred to within the provisions of
29 section 39-1304.02, such parties may separately contract in relation to
30 relocation of facilities and reimbursement for such relocation ~~therefor~~.
31 The board of directors shall also have the power to appropriate private

1 property required by the metropolitan utilities district for natural gas
2 and water service, to purchase and contract for necessary materials,
3 labor, and supplies, and to supply water and natural gas outside the
4 service area of ~~without~~ the district upon such terms and conditions as
5 the board of directors ~~it~~ may deem proper. The authority and power
6 conferred in this section upon the board of directors shall extend as far
7 beyond the corporate limits of the metropolitan utilities district as the
8 board may deem necessary.

9 Sec. 16. Section 14-2114, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~14-2114~~ The board of directors of a ~~the~~ metropolitan utilities
12 district shall have the power and authority to determine and fix all
13 water and natural gas rates and to determine what shall be a reasonable
14 rate for any particular service, the conditions and methods of service,
15 and the collection of all charges for service or the sale of water or
16 natural gas. The board of directors may ~~shall also have authority to~~ make
17 such rules and regulations for the conduct of the utilities controlled
18 and operated by the metropolitan utilities district and the use and
19 measurement of water or natural gas supplied by the district as deemed ~~it~~
20 ~~may deem~~ proper, including the authority to cut off any natural gas or
21 water service for nonpayment, for nonmaintenance of the pipes and
22 plumbing connected with the supply main, or for noncompliance on the part
23 of any natural gas or water user with the rules and regulations adopted
24 by the board for the conduct of its business and affairs. The board of
25 directors ~~may~~ authorize its employees to require payments, in addition to
26 the regular rates charged for water or natural gas, before turning on any
27 service that has been turned off because of such nonpayment or
28 noncompliance with the provisions of this section and the rules and
29 regulations adopted by the board.

30 Sec. 17. Section 14-2115, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 ~~14-2115~~ (1) A metropolitan utilities district shall operate and
2 account for each of its several utilities separately and, as to each
3 separate utility, shall possess all powers granted on behalf of that
4 utility or on behalf of any other utility being operated by such
5 district, or granted generally to such district, and all such powers are
6 hereby declared to be cumulative, though separate, as to each utility,
7 except that limitations or restrictions which by their nature or intent
8 are applicable only to a utility of one type shall not apply to other
9 different utilities. The financial obligations of each utility shall be
10 separate and independent from the financial obligations of any other
11 utility.

12 (2) A metropolitan utilities district shall keep all funds,
13 accounts, and obligations relating to any one utility under its
14 management separate and independent from the funds and accounts of each
15 other utility under its management. The cost of any consolidated
16 operation shall be allocated to the various utilities upon some
17 reasonable basis which is open to investigation, comment, or protest by
18 members of the public. Such allocation methodologies shall be determined
19 by the board of directors and shall provide for the allocation of costs
20 and expenses in a manner that accurately reflects the actual cost of
21 service for each utility under the management of the board, except that
22 for purposes of this section, the collection of sewer use fees for cities
23 of the metropolitan class shall not be considered as a utility. A
24 metropolitan utilities The district shall have separate power to provide
25 for the cost of operation, maintenance, depreciation, extension,
26 construction, and improvement of any utility under its management,
27 applying ~~thereto~~ standard accounting principles.

28 (3) A metropolitan utilities district shall not discount its water
29 rates or connection fees to any customer in order to obtain an agreement
30 to provide natural gas service to any customer.

31 (4) A metropolitan utilities district shall not delay or condition

1 in any manner the installation of water service or other agreements
2 related to water service to the purchase of natural gas service from such
3 ~~the~~ district.

4 (5) The Auditor of Public Accounts shall have the authority to
5 initiate an audit or to take any action necessary to ensure compliance
6 with this section.

7 Sec. 18. Section 14-2116, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 ~~14-2116~~ (1) In addition to any other rights and powers conferred
10 upon metropolitan utilities districts under the Metropolitan Utilities
11 District Act sections 14-2101 to 14-2157, metropolitan utilities such
12 districts shall have and may exercise the power of eminent domain for the
13 purpose of erecting, constructing, locating, maintaining, or supplying
14 such waterworks, gas works, or mains or the extension of any system of
15 waterworks, water supply, gas works, or gas supply, and any such district
16 may go beyond its territorial limits and may take, hold, or acquire
17 rights, property, and real estate, ~~or either or any of the same,~~ by
18 purchase or otherwise. A metropolitan utilities ~~Such a~~ district may ~~for~~
19 ~~such purposes~~ take, hold, and condemn any and all necessary property for
20 the purposes provided in this section.

21 (2) ~~A~~ Any metropolitan utilities district shall have the power to
22 condemn or to exercise the power of eminent domain to acquire parts of an
23 existing utility's facilities only when such facilities are within,
24 annexed to, or otherwise consolidated within the corporate boundary
25 limits of a city of the metropolitan class. The procedure to condemn
26 property shall be exercised in the manner set forth in sections 76-704 to
27 76-724. Within a municipal county, the power to condemn or to exercise
28 the power of eminent domain for purposes of this subsection may be
29 exercised by a metropolitan utilities district to the extent and in the
30 manner provided by the Legislature as required by section 13-2802.

31 Sec. 19. Section 14-2117, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~14-2117~~ (1) No metropolitan utilities district may extend or
3 enlarge its service area unless it is economically feasible to do so. In
4 determining whether or not to extend or enlarge its service area, a
5 metropolitan utilities ~~the~~ district shall take into account the cost of
6 such extension or enlargement to its existing ratepayers.

7 (2) All books, records, vouchers, papers, contracts, or other data
8 indicating the economic feasibility of such extension or enlargement
9 shall be filed with the secretary of the board of directors of the
10 metropolitan utilities district and shall be open to public inspection.

11 Sec. 20. Section 14-2118, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 ~~14-2118~~ When conducting work on any ~~After entering the~~ streets,
14 alleys, or public grounds ~~of the district~~ in connection with the
15 operation, construction, and maintenance of ~~the~~ utility facilities, it
16 shall be the duty of a ~~the~~ metropolitan utilities district ~~and the board~~
17 ~~of directors,~~ upon the completion of any such work, to resurface and
18 repave the streets, alleys, or public grounds and leave the streets,
19 alleys, or public grounds in the same condition as they were before such
20 streets, alleys, or public grounds ~~the same~~ were utilized by the district
21 ~~and the board of directors~~ for such purpose.

22 Sec. 21. Section 14-2119, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 ~~14-2119~~ If In ~~case~~ any portion of a ~~the~~ metropolitan utilities
25 district is supplied with natural gas or water for domestic, mechanical,
26 public, or fire purposes by any individual, partnership, limited
27 liability company, or corporation, then the board of directors of such
28 district shall have the power ~~and authority~~ to fix rates and regulate the
29 conditions of service and the conduct of the utility affording such
30 supply.

31 Sec. 22. Section 14-2120, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~14-2120~~ No franchise or permit for the use of streets, alleys, or
3 other public property within ~~a~~ the metropolitan utilities district for
4 the laying of pipes in connection with a water or natural gas utility
5 designed for public or private service shall be granted except by the
6 board of directors of such district, but no such franchise or permit
7 shall be valid until approved by a majority vote of the registered voters
8 of the metropolitan utilities district at a regular election, or a
9 special election called for such purpose, and of which due notice is
10 given in the case of the submission of a proposal to approve ~~vote~~ bonds.
11 If the board of directors refuses upon request to grant and submit to a
12 vote of the registered voters of the district such a franchise or permit,
13 then upon the filing of a petition with the board of ten percent or more
14 of the registered voters of the district requesting that the franchise or
15 permit be submitted, it shall be the duty of the board to submit such
16 proposition at a general election or a special election held for that
17 purpose within sixty days of the date of filing the petition, and if a
18 majority of the votes cast upon such proposition are in favor of granting
19 such franchise or permit, the franchise or permit shall be deemed to be
20 granted.

21 Sec. 23. Section 14-2121, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 ~~14-2121~~ The board of directors of a metropolitan utilities district
24 shall have the authority to receive bids for all work the board ~~which it~~
25 may desire to have done by contract or for material and supplies to be
26 used in connection with such work, which bids shall be received after
27 reasonable advertisement for such bids ~~therefor~~ and when opened shall be
28 read in public session. The board of directors may award contracts based
29 upon the bids to the lowest responsible bidders, except that the board ~~of~~
30 ~~directors~~ may, for such reasons as appear to it good and substantial,
31 reject all bids. The board of directors shall have the power ~~and~~

1 authority to do all of such work and to purchase materials and supplies
2 without advertising for bids and without entering into a contract with
3 any other persons or companies in relation to such work thereto.

4 Sec. 24. Section 14-2122, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 ~~14-2122~~ In addition to any other rights and powers conferred upon
7 metropolitan utilities districts under the Metropolitan Utilities
8 District Act sections ~~14-2101 to 14-2157~~ and sections 18-401 to 18-411
9 ~~Chapter 18, article 4,~~ for the purpose of extending gas mains and service
10 pipes, a metropolitan utilities district, ~~such districts~~ shall have the
11 power ~~and authority~~ to extend or enlarge gas mains and service pipes
12 whenever it is deemed proper and economically feasible to do so in such
13 nondiscriminatory manner as may be determined from time to time by the
14 board of directors of such district ~~districts~~.

15 Sec. 25. Section 14-2123, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~14-2123~~ The board of directors of a metropolitan utilities district
18 shall have the power ~~is hereby empowered~~ to (1) adopt all necessary rules
19 and regulations for the operation and conducting of the business and
20 affairs of its natural gas and water utilities for the purpose of
21 supplying gas for heat and power purposes for public and private use and
22 for the purpose of supplying water for domestic, mechanical, public, and
23 fire purposes and (2) fix the prices to be charged for supplying such
24 utilities therefor.

25 Sec. 26. Section 14-2124, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 ~~14-2124~~ In addition to all other proper subjects for rules and
28 regulations, the board of directors of a metropolitan utilities district
29 may adopt rules and regulations, in the interest of public health and
30 safety and the conservation of gas, relating to the use, installation,
31 and maintenance of piping, equipment, and appliances for gas on the

1 premises of consumers. A metropolitan utilities ~~Such~~ district may adopt
2 ~~and promulgate~~ rules and regulations to establish priorities for the use
3 of gas, including the curtailment and denial of the its use of gas. All
4 rules and regulations shall be published once in the official newspaper
5 ~~paper~~ of the ~~particular~~ city of the metropolitan class within such
6 metropolitan utilities district and be kept posted at the main office of
7 such ~~the~~ district for public inspection. When such rules and regulations
8 are so adopted, published, and posted, they shall have the same legal
9 force and effect as a city ordinance and be binding upon the consumers of
10 the metropolitan utilities district as one of the conditions to their
11 service. Nothing in this section shall be construed to prevent any
12 qualified person or persons from installing or maintaining appliances in
13 connection with any of the public utilities described ~~mentioned~~ in this
14 section.

15 Sec. 27. Section 14-2125, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~14-2125~~ (1) A metropolitan utilities district may enter into
18 agreements with other companies or municipalities operating gas
19 distribution systems and with gas pipeline companies, whether within or
20 outside the state, for the transportation, purchase, sale, or exchange of
21 available gas supplies or propane supplies held for peak-shaving
22 purposes, so as to realize full utilization of available gas supplies and
23 for the mutual benefit of the contracting parties.

24 (2) A metropolitan utilities district may own, construct, maintain,
25 and operate an interstate or intrastate pipeline, whether within or
26 outside of such ~~the~~ district's boundaries, for purposes of securing and
27 transporting natural gas supplies for such district ~~itself~~ or others and
28 may enter into contractual agreements with other pipeline companies, gas
29 distribution companies, municipalities, or political subdivisions or any
30 other legal entity whatsoever for such purposes.

31 Sec. 28. Section 14-2126, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~14-2126~~ All The metropolitan utilities districts shall maintain
3 free of charge fire ~~the number of~~ hydrants ~~heretofore~~ established for
4 fire protection in the streets of the municipalities constituting such
5 districts and, ~~in addition thereto,~~ maintain regular fire hydrants on
6 service mains in the streets of such ~~the municipalities not now equipped~~
7 ~~therewith and also upon service mains that may hereafter be installed in~~
8 ~~such municipalities.~~ The board of directors of a metropolitan utilities
9 district may adopt such rules for the placement and maintenance of such
10 hydrants as long as such rules do not violate any rules and regulations
11 adopted and promulgated by the Department of Health and Human Services.
12 Intermediate hydrants or fire hydrants placed between regular hydrants
13 shall be installed by the metropolitan utilities district at such points
14 as may be designated and ordered by any one of the municipalities
15 constituting such district. One-half of the cost of such intermediate
16 hydrants, connections, and installation shall be borne by the
17 municipality ordering such hydrants, connections, and installation the
18 ~~same.~~ A metropolitan utilities The district shall also lower water mains
19 and reset hydrants at their original locations whenever necessary.

20 Sec. 29. Section 14-2127, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~14-2127~~ A The metropolitan utilities district may provide ~~, in its~~
23 ~~discretion, also afford,~~ free of charge, water required for public use by
24 each of the municipalities and schools within the limits of such
25 municipalities. It shall be the duty of each such municipality ~~of the~~
26 ~~municipalities~~ and schools to reasonably conserve such water and to
27 install and maintain all plumbing and services required in connection
28 with such use in good condition and free from leaks, subject to the rules
29 and bylaws governing water service in such metropolitan utilities
30 district. If any flush tank maintained in connection with the sewage
31 system of any such municipality uses more than fifty thousand gallons of

1 water per month, as determined by meter measurement, the board of
2 directors of the metropolitan utilities district may collect for the
3 excess water used at the established rates maintained by the board of
4 directors.

5 Sec. 30. Section 14-2128, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~14-2128~~ In addition to any and all powers heretofore granted to
8 metropolitan utilities districts, any metropolitan utilities such
9 district may, ~~in its discretion,~~ by authorization of its board of
10 directors, contract to sell water for use by a waterworks and water
11 distribution system owned and operated by a city of any class or village
12 except a city of the metropolitan class. Any The water so sold shall be
13 used for the same domestic, mechanical, public, and fire purposes as
14 water which a metropolitan utilities district supplies the consumers
15 served water directly by such district ~~it~~. The rates for water so sold
16 shall be fixed by the metropolitan utilities district, including ~~therein~~
17 a demand or capacity charge in addition to a charge for the volume of
18 water delivered. All water so delivered shall be metered at its point of
19 delivery. The cost of any main extensions necessary to deliver the water
20 to the city or village contracting for such supply shall be paid by such
21 city or village ~~it~~ and set forth in the contract. The term of any such
22 contract shall not exceed twenty-five years.

23 Sec. 31. Section 14-2129, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 ~~14-2129~~ If a metropolitan utilities district supplies water at
26 retail to residents of a city or village other than a city of the
27 metropolitan class or residents of a sanitary and improvement district,
28 whether or not such city, village, or sanitary and improvement district
29 is within the ~~district~~ boundaries of such metropolitan utilities
30 district, such city, village, or sanitary and improvement district and
31 metropolitan utilities district shall have the power ~~and authority~~ to

1 enter into a contract to obtain the use of facilities and services of the
2 water utility of such metropolitan utilities district in order to collect
3 from the residents supplied water by the metropolitan utilities district
4 sewer use or rental fees or charges for other utility services for such
5 city, village, or sanitary and improvement district in the same manner
6 and to the same extent as is provided for such services to cities of the
7 metropolitan class by sections 36 14-2134 to 38 of this act 14-2136. No
8 utility service under this section shall be discontinued for nonpayment
9 of charges for unrelated services.

10 Sec. 32. Section 14-2130, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 ~~14-2130~~ (1) A metropolitan utilities district may contract to sell
13 water to a natural resources district at such rates, for such charges,
14 and upon such other terms and conditions as may be agreed upon in the
15 contract.

16 (2) Such water shall be used by the natural resources district in a
17 special improvement project supplying water for any beneficial use. With
18 the consent of the metropolitan utilities district, such water may be
19 used by the natural resources district in a special improvement project
20 to supply the municipal waterworks and distribution system of a city of
21 any class or village outside the boundaries of the metropolitan utilities
22 district.

23 (3) Such municipalities shall have the power ~~are hereby empowered~~ to
24 contract with a natural resources district to purchase water at such
25 rates, for such charges, and upon such terms and conditions as may be
26 agreed upon in the contract.

27 Sec. 33. Section 14-2131, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 ~~14-2131~~ To accomplish the purposes of section 30 of this act
30 ~~14-2128~~, cities of all classes and villages, except cities of the
31 metropolitan class, shall have the power to contract with a metropolitan

1 utilities district and pay the charges and costs in the manner provided
2 in the contract for the purpose of maintaining an adequate supply of
3 water for the waterworks and distribution system serving such
4 municipality, such contract to be approved by resolution of the governing
5 body of such municipality.

6 Sec. 34. Section 14-2132, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 ~~14-2132~~ Notwithstanding any other provisions of law applicable to
9 cities, villages, and metropolitan utilities districts to the contrary,
10 sections ~~30 14-2128~~ to ~~34 of this act 14-2132~~ shall govern ~~be deemed to~~
11 ~~be an act complete within itself, to cover~~ the entire subject to which
12 such sections relate it relates, and to be an independent act.

13 Sec. 35. Section 14-2133, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~14-2133~~ A metropolitan ~~Metropolitan~~ utilities district ~~districts~~ in
16 rendering bills and statements may set forth in such bills and statements
17 ~~therein~~ the net amount that shall be due without setting forth the amount
18 of the discount, if any. When bills and statements are so rendered, the
19 metropolitan utilities district may collect an additional charge of not
20 more than ten percent when bills or statements rendered are not paid at
21 maturity, except it being understood that such ~~the~~ additional charge
22 shall is not be added by way of penalty but as a means of economizing in
23 bookkeeping and in rendering bills and statements by which the items of
24 discount are omitted from such bills and statements ~~therefrom~~.

25 Sec. 36. Section 14-2134, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 ~~14-2134~~ In addition to any and all powers granted to cities of the
28 metropolitan class and metropolitan utilities districts within and
29 serving such cities, a city of the metropolitan class may enter into a
30 contract with the metropolitan utilities district within its area in
31 order to obtain the use of facilities and services of the water utility

1 of such a metropolitan utilities district and in order to collect all or
2 any part of a sewer use or rental fee or all or any part of a garbage and
3 refuse removal, disposal, or recycling fee which such city may lawfully
4 be entitled to charge and collect.

5 Sec. 37. Section 14-2135, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~14-2135~~ To accomplish the purposes of section 36 of this act
8 ~~14-2134~~, a city of the metropolitan class shall have the power is
9 ~~empowered~~ to pay a such metropolitan utilities district the charges for
10 such services as set forth in the contract, and such district may
11 discontinue water service to its customers for failure to pay the sewer
12 rental or use fee.

13 Sec. 38. Section 14-2136, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~14-2136~~ The powers granted in sections 36 14-2134 and 37 of this act
16 ~~14-2135~~ to cities of the metropolitan class and metropolitan utilities
17 districts are cumulative and not in derogation or amendment of the
18 existing powers of such cities or districts each.

19 Sec. 39. Section 14-2137, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 ~~14-2137~~ All accounts of a the metropolitan utilities district shall
22 be audited by the secretary and approved by a committee of the board of
23 directors of such district to be designated ~~styled~~ the committee on
24 accounts and expenditures. No money shall be appropriated out of any fund
25 except on the recorded affirmative vote of a majority of all the members
26 of the board of directors. The records of a the metropolitan utilities
27 district shall be at all times subject to inspection and examination by
28 the public during business hours.

29 Sec. 40. Section 14-2138, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 ~~14-2138~~ A The metropolitan utilities district shall pay to a the

1 city of the metropolitan class a sum equivalent to two percent of the
2 annual gross revenue derived from all retail sales of water and gas sold
3 by such district within such city, except that retail sales of gas shall
4 not include the retail sale of natural gas used as vehicular fuel. Such
5 sum shall be paid on a quarterly basis, the last quarterly payment to be
6 made not later than the thirtieth day of January of the next succeeding
7 year, except that annual payments to such city shall not be less than
8 five hundred thousand dollars. Such city shall not levy or collect any
9 license, occupation, or excise tax upon or from such district. All
10 payments provided by this section shall be allocated by the district
11 among the several utilities operated by such district ~~it~~ upon such basis
12 as the district shall determine.

13 Sec. 41. Section 14-2139, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~14-2139~~ A metropolitan utilities district shall pay to every city or
16 village of any class, other than a city of the metropolitan class, in
17 which such district sells water, ~~or~~ gas, or both, at retail, a sum
18 equivalent to two percent of the annual gross revenue derived from all
19 retail sales of water, ~~or~~ gas, or both, sold by such district within the
20 city or village, except that retail sales of gas shall not include the
21 retail sale of natural gas used as vehicular fuel. Such sums shall be
22 paid not later than the thirtieth day of January of the next succeeding
23 year. Such cities or villages shall not levy or collect any license,
24 occupation, or excise tax upon or from such metropolitan utilities
25 district. All payments provided by this section shall be allocated by the
26 metropolitan utilities district among the several utilities operated by
27 such district ~~it~~ upon such basis as the district shall determine.

28 Sec. 42. Section 14-2141, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~14-2141~~ A metropolitan ~~Metropolitan~~ utilities district ~~districts~~
31 may, when deemed necessary by a resolution of the board of directors of

1 such district, temporarily lend the funds of one utility to ~~a~~ the fund of
2 another utility under its control, at the current market rate of interest
3 as determined by the board of directors. In the case of emergency, or for
4 the purpose of short-term financing of extensions, improvements,
5 additions, and capital investments, such ~~the~~ district may, by resolution
6 of its board of directors, borrow money~~7~~ for a term not to exceed five
7 years, but the amount ~~so~~ borrowed shall not exceed ten percent of the
8 depreciated plant value of the utility for which such money is borrowed.

9 Sec. 43. Section 14-2142, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~14-2142~~ (1) If ~~In~~ case the board of directors of a metropolitan
12 utilities district deems it necessary and expedient for such ~~metropolitan~~
13 ~~utilities~~ district to approve ~~vote~~ mortgage or revenue bonds for the
14 construction, extension, or improvement of a water plant or any other
15 public utility under such district's ~~its~~ control or for any other
16 purpose, to the end of supplying the district with water or other service
17 for domestic, mechanical, public, or other purposes, the board of
18 directors may determine the amount of such bonds, when principal and
19 interest is payable, and the rate of interest and may issue such ~~the~~
20 bonds when approved by the registered voters within such district ~~voted~~.
21 The board of directors shall submit a proposition to approve ~~vote~~ such
22 bonds to the registered voters of the ~~metropolitan utilities~~ district at
23 an election called by the board of directors for such purpose, or at any
24 regular election, notice of which has been given for at least ten days in
25 one or more legal newspapers ~~daily papers~~ published in or of general
26 circulation within the boundaries of such ~~in the~~ district. If a majority
27 of the votes cast upon such proposition is in favor of the issuance of
28 such bonds, the board of directors may issue and sell such bonds in the
29 manner as the board of directors shall determine.

30 (2) In addition to the power provided in subsection (1) of this
31 section as to issuance of bonds, and notwithstanding such provisions

1 requiring a vote of the registered voters, and in addition to the limited
2 power to borrow ~~heretofore~~ vested in any such metropolitan utilities
3 district, the board of directors of such district without a vote of the
4 registered voters and at their own discretion (a) may borrow, to be used
5 solely for the purpose of extensions, improvements, additions, and
6 capital investments, such sum as the board of directors by resolution
7 determines to be needed for such purposes and (b) in the exercise of such
8 additional power may issue warrants, notes, debentures, revenue bonds, or
9 refunding obligations of the same classes, each of which shall be payable
10 solely from the revenue of such ~~the~~ district. The obligations issued by
11 the metropolitan utilities district without a vote of the registered
12 voters are hereby declared to be negotiable instruments, and such
13 instruments and the interest paid on such instruments ~~thereon~~ shall be
14 exempt from any and all forms of taxation.

15 (3) A metropolitan utilities ~~The~~ district may (a) refund all or any
16 part of the obligations issued by such ~~the~~ district without a vote of the
17 registered voters by exchange or other means through the issuance of any
18 of such forms of obligation at any time and in an amount equal to or
19 exceeding the original amount, (b) invest the proceeds of refunding
20 obligations for a temporary period until such proceeds ~~they~~ are needed
21 for the purpose of retirement of other obligations, (c) covenant as to
22 rates, (d) create and provide for reserves or amortization funds, and (e)
23 covenant as to the limitation of the creation of further indebtedness.
24 All such evidences of indebtedness issued by a metropolitan utilities ~~the~~
25 district without a vote of the registered voters shall be offered upon
26 such terms and in such manner as determined by the board of directors of
27 such district ~~determines~~. The same power to covenant and to provide funds
28 shall also exist in the case of obligations authorized by the registered
29 voters. The board of directors of any metropolitan utilities ~~such~~
30 district in the exercise of any of the borrowing powers, with or without
31 a vote of the registered voters provided for in this section, may appoint

1 ~~any corporation as an agent~~ agents of such district corporations ~~doing~~
2 ~~business within or without the State of Nebraska~~ to act for the district
3 ~~it~~ in receiving, redeeming, and paying for any of the securities so
4 issued.

5 Sec. 44. Section 14-2143, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~14-2143~~ The water fund of a metropolitan utilities district shall
8 consist of all money received on account of the water plant owned and
9 operated by such ~~the metropolitan utilities~~ district for water service or
10 otherwise, including a water tax for public fire protection purposes
11 levied by the governing body ~~municipal authorities~~ of each municipality
12 forming such metropolitan utilities district or, in the case of a
13 sanitary and improvement district or unincorporated area forming a part
14 of the metropolitan utilities district but outside the corporate limits
15 of a municipality, by the county board of ~~county commissioners~~ of the
16 county in which the sanitary and improvement district or unincorporated
17 area is located. Such tax shall be levied at the same time and in the
18 same manner as other funds provided for municipal purposes or county
19 purposes under the provisions of the charter of such municipality or
20 municipalities or of the general laws in the case of a county or a
21 sanitary and improvement district. The amount of the tax shall be
22 certified to the governing body of each municipality ~~municipal~~
23 ~~authorities~~ or the county board commissioners, as the case may be, by the
24 board of directors of the metropolitan utilities district in time for the
25 annual levy of taxes in each year. The gross amount of such tax shall not
26 exceed the sum of five and two-tenths cents on each one hundred dollars
27 upon the taxable value of all the taxable property in such metropolitan
28 utilities district, and it shall be mandatory upon such governing body
29 ~~municipal authorities~~ or county board commissioners to levy such tax ~~same~~
30 as provided in this section.

31 Sec. 45. Section 14-2144, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~14-2144~~ The funds of ~~a~~ the metropolitan utilities district may be
3 invested at the discretion of the board of directors of such district in
4 the warrants and bonds of such ~~the~~ district and the municipalities
5 constituting such ~~the~~ district, including the warrants and bonds of any
6 ~~the~~ improvement districts of such municipalities ~~thereof~~. In addition to
7 such securities, the funds also may be invested in any securities that
8 are legal investments for the school funds of this state.

9 Sec. 46. Section 14-2145, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~14-2145~~ The ~~In each metropolitan utilities district in the State of~~
12 ~~Nebraska,~~ the board of directors of a metropolitan utilities district
13 shall cause the accounts of the district to be examined and audited
14 annually. Such examination shall show (1) the gross income from all
15 sources of the metropolitan utilities district for the previous year, (2)
16 the gross amount of water and gas supplied in such ~~the~~ district, (3) the
17 amount expended during the previous year for repairs, (4) the amount
18 expended during the previous year for new machinery, (5) the amount
19 expended in the previous year for property purchased, (6) the amount of
20 depreciation of any ~~the~~ plant operated by such district during the
21 previous year, (7) the cost per thousand gallons of supplying water and
22 per thousand cubic feet for supplying natural gas, (8) the amount
23 collected from the sale and rent of meters, (9) the total assessment made
24 against property for the extension of mains, (10) a detailed statement of
25 all expenses ~~items of expense~~, (11) the number of employees, (12) the
26 salaries paid to employees, (13) the total amount of direct taxes levied
27 by such ~~metropolitan utilities~~ district upon the property within the
28 district, and (14) all other facts necessary to give an accurate and
29 comprehensive view of the cost of maintaining and operating any ~~the~~ plant
30 operated by such district. The audit report shall be filed with the
31 Auditor of Public Accounts within six months after the end of the

1 ~~district's~~ fiscal year.

2 Sec. 47. Section 14-2146, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 ~~14-2146~~ The Auditor of Public Accounts and the person making the
5 examination and audit pursuant to section 46 of this act ~~14-2145~~ shall
6 have access to all books, records, vouchers, papers, contracts, or other
7 data containing information on the subject in the office of the board of of
8 directors of a such metropolitan utilities district, in the office of the
9 individual appointed in section 11 of this act ~~14-2109~~, or in the
10 possession or under the control of any of the agents or employees of such
11 ~~the~~ district. It shall be ~~is hereby made~~ the duty of all officers,
12 agents, and employees of a metropolitan utilities ~~the~~ district to furnish
13 to the auditor and the auditor's ~~his or her~~ agents and employees such
14 information regarding the auditing of such ~~the~~ metropolitan utilities
15 district as may be demanded.

16 Sec. 48. Section 14-2147, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 ~~14-2147~~ Upon the completion of an such examination and audit
19 pursuant to section 46 of this act, the person making such examination
20 and audit ~~the same~~ shall file and furnish to each city clerk or the
21 ~~village or city clerk of each village or city~~ within the metropolitan
22 utilities district one copy of such person's ~~his or her~~ report. Another
23 copy of such report shall be furnished to the county board of each county
24 ~~the counties~~ in which such ~~the~~ metropolitan utilities district is
25 located. A copy of such report shall also be placed on file with the
26 individual appointed in section 11 of this act ~~14-2109~~. The original
27 report copy shall be filed in the office of the Auditor of Public
28 Accounts. The cost and expense of making such audit shall be paid by the
29 metropolitan utilities district in which such ~~audit and~~ examination and
30 audit have been made. The auditor shall make ~~out~~ and certify a bill for
31 the expense of making such an examination and audit. Upon presentation of

1 the bill to the secretary of the board of directors of the metropolitan
2 utilities district, it shall be the duty of the board of directors to
3 allow and pay the claim. ~~The amount thereof shall be paid~~ to the State
4 Treasurer.

5 Sec. 49. Section 14-2148, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~14-2148~~ The ~~Whenever it may be deemed necessary,~~ the board of
8 directors of a ~~the~~ metropolitan utilities district or its employees shall
9 have the authority, in the discharge of their duties, to enter upon any
10 lands or premises for the examination or survey of such lands or premises
11 ~~thereof,~~ for the purpose of (1) repairing any water or natural gas pipe,
12 (2) ~~for the purpose of~~ inspecting any water or natural gas service or the
13 plumbing connected with any such service, (3) ~~for the purpose of~~ removing
14 or connecting any apparatus required in connection with any water or
15 natural gas ~~such~~ service and plumbing under the rules and regulations of
16 the board of directors, (4) ~~for the purpose of~~ reading any meter or
17 meters attached to any water or natural gas ~~the~~ service, or (5) ~~for~~ any
18 other purpose whatsoever in connection with or relating to the water or
19 natural gas service provided by such district.

20 Sec. 50. Section 14-2149, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 ~~14-2149~~ Any person who willfully interferes with or obstructs any
23 employee of a ~~the~~ metropolitan utilities district in the discharge of
24 such employee's ~~his or her~~ duties, who willfully tampers with or injures
25 any district ~~such~~ water or natural gas facilities or the pipes,
26 apparatus, or any service connected with such facilities ~~therewith~~, or
27 who changes or alters the plumbing or connection between the water or gas
28 meter and service main affording the water or natural gas supply without
29 securing a permit as required by the rules and regulations of the board
30 of directors of such district shall be ~~deemed~~ guilty of a Class III
31 misdemeanor.

1 Sec. 51. Section 14-2150, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 ~~14-2150~~ Whenever any of the property of a utility under the control
4 of a metropolitan utilities district, whether real property or personal
5 property, is no longer required for the operation of such utility, the
6 metropolitan utilities district may sell and convey such surplus
7 property, whether the property was acquired directly by such ~~the~~ district
8 or as a part of the utility plant or system acquired by the city of the
9 metropolitan class or any municipality or other political subdivision
10 constituting a part of the metropolitan utilities district. Proceeds of
11 the sale of such surplus property shall be credited to the utility of
12 which the property was a part, or when funds of more than one utility
13 have been invested in property involved in a consolidated operation of
14 the metropolitan utilities district, proceeds of such sale shall be
15 apportioned among the utilities involved in such consolidated operation
16 upon some reasonable basis determined by the board of directors of such
17 ~~the~~ district.

18 Sec. 52. Section 14-2151, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 ~~14-2151~~ No bond for costs, appeal, supersedeas, injunction, or
21 attachment shall be required of a ~~any~~ metropolitan utilities district or
22 of any officer, board, head of any department, agent, or employee of any
23 such district in any proceeding or court action in which such ~~the~~
24 metropolitan utilities district or any district officer, board, head of
25 department, agent, or employee is a party litigant in an ~~its, his, or her~~
26 official district capacity.

27 Sec. 53. Section 14-2152, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 ~~14-2152~~ The elections provided for in sections 4, 22, 43 ~~14-2102,~~
30 ~~14-2120, 14-2142,~~ and 58 of this act ~~14-2157~~ shall be held according to
31 the Election Act.

1 Sec. 54. Section 14-2153, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 ~~14-2153~~ A metropolitan utilities district shall not sell any gas-
4 burning equipment or appliances, at either retail or wholesale, if the
5 retail price of such ~~that~~ item exceeds fifty dollars, except that newly
6 developed gas-burning appliances may be merchandised and sold during the
7 period of time in which any such appliances are being introduced to the
8 public. New models of existing appliances shall not be deemed to be newly
9 developed appliances. A gas-burning appliance shall be considered to be
10 in such introductory period of time until the particular type of
11 appliance is used by twenty-five percent of all the gas customers served
12 by such metropolitan utilities district, but such period shall in no
13 event exceed seven years from the date of introduction by the
14 manufacturer of the new appliance to the local market.

15 Sec. 55. Section 14-2154, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 ~~14-2154~~ A metropolitan utilities district may establish energy
18 conservation or weatherization programs that will encourage and promote
19 the efficient use of energy supplies. A metropolitan utilities district
20 may enter into agreements with companies, service organizations,
21 municipalities, political subdivisions, or state or federal agencies to
22 establish or participate in such programs. Such participation may include
23 the providing of administrative or other similar services from the
24 metropolitan utilities district's separate gas utility for the support of
25 such programs.

26 Sec. 56. Section 14-2155, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 ~~14-2155~~ A metropolitan utilities district is hereby authorized to
29 own, purchase, construct, equip, and operate public offstreet motor
30 vehicle parking facilities on property owned or leased by such district
31 within the area designated as the civic center by the city council in the

1 master plan of a city of the metropolitan class. Such parking facilities
2 shall be constructed upon land contiguous to the office or administrative
3 headquarters of such metropolitan utilities district and shall be used in
4 whole or in part in connection with such headquarters therewith.

5 Sec. 57. Section 14-2156, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~14-2156~~ A metropolitan utilities district shall have the authority
8 to issue bonds and evidences of indebtedness for the purposes of
9 acquiring, purchasing, constructing, and equipping such parking
10 facilities as provided in section 43 of this act ~~14-2142~~ for other public
11 utilities under its control and may manage the funds of such parking
12 facilities and borrow money as provided by section 42 of this act ~~14-2141~~
13 for other utilities.

14 Sec. 58. Section 14-2157, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 ~~14-2157~~ A ~~The existence of a~~ metropolitan utilities district may be
17 terminated by the people of such ~~the~~ district as provided by this
18 section. ~~in the following manner:~~ Upon the filing of a petition with the
19 board of directors of a metropolitan utilities district signed by fifteen
20 percent of the registered voters of such ~~the~~ district at least thirty
21 days prior to the date of any general state election requesting that the
22 question of the continuance or termination of the existence of such
23 district be submitted to a vote of the registered voters of such ~~the~~
24 district, it shall be the duty of such board of directors to submit the
25 question at such general state election, and if a majority of the votes
26 cast on such question ~~are thereon shall be~~ in favor of the continuance of
27 such district, then such district ~~it~~ shall continue, otherwise the ~~its~~
28 existence of such district shall cease at the close of the thirty-first
29 day of the following month.

30 Sec. 59. Section 32-540, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 32-540 ~~(1) Except as otherwise provided in subsection (2) of this~~
2 ~~section, in each metropolitan utilities district service area, two of the~~
3 ~~members of the board of directors shall be chosen at large by the~~
4 ~~registered voters within the district at the time of the statewide~~
5 ~~primary and statewide general elections held in the even-numbered years,~~
6 ~~except that at the primary and general elections held in 1978 and every~~
7 ~~six years thereafter, three members, one of whom shall be known as the~~
8 ~~outside member, shall be elected at large by the registered voters within~~
9 ~~the district.~~

10 ~~(1)~~ ~~(2)(a)~~ The board of directors of a metropolitan utilities
11 district shall ~~may~~ by resolution provide for the division of the
12 territory of the district into seven election subdivisions composed of
13 substantially equal population and compact and contiguous territory and
14 number the subdivisions consecutively. One member of the board of
15 directors shall be elected from each subdivision. The members of the
16 board of directors shall be chosen by the registered voters within each
17 respective election subdivision of such district at the statewide primary
18 and general elections. The terms of such members shall be staggered so
19 that the terms of the members representing election subdivisions one and
20 two coincide, the terms of the members representing election subdivisions
21 three, four, and five coincide, and the terms of the members representing
22 election subdivisions six and seven coincide.

23 ~~(b)~~ ~~If the board of directors provides for seven election~~
24 ~~subdivisions prior to February 1, 2016, the board of directors shall~~
25 ~~assign each position on the board of directors to represent a numbered~~
26 ~~election subdivision for the remainder of the term of office for which~~
27 ~~the member is elected, regardless of whether the member resides in the~~
28 ~~subdivision, and shall make such assignments so that members representing~~
29 ~~election subdivisions numbered one and two hold office until the first~~
30 ~~Tuesday after the first Monday in January 2019 or until their successors~~
31 ~~are elected and qualified, members representing election subdivisions~~

1 ~~numbered three, four, and five hold office until the first Tuesday after~~
2 ~~the first Monday in January 2021 or until their successors are elected~~
3 ~~and qualified, and members representing election subdivisions six and~~
4 ~~seven hold office until the first Tuesday after the first Monday in~~
5 ~~January 2023 or until their successors are elected and qualified.~~

6 ~~(c) A successor who resides in the numbered election subdivision~~
7 ~~shall be nominated and elected at the statewide primary and general~~
8 ~~elections held in the calendar year prior to the expiration of the term~~
9 ~~of the member who represents such numbered election subdivision.~~

10 ~~(2) (d)~~ After each federal decennial census, the board of directors
11 shall create new boundaries for the election subdivisions. In
12 establishing the boundaries of the election subdivisions, the board of
13 directors shall follow county lines wherever practicable, shall provide
14 for the subdivisions to be composed of substantially equal population and
15 compact and contiguous territory, and shall, as nearly as possible,
16 follow the precinct lines created by the election commissioner or county
17 clerk after each federal decennial census.

18 (3) Nomination and election of all directors shall be by nonpartisan
19 ballot. ~~Members~~ Except as provided in subsection (2) of this section,
20 ~~members~~ of the board of directors shall hold office for a period of six
21 years from the first Tuesday after the first Monday in January following
22 their election or until their successors are elected and qualified. The
23 directors shall meet the qualifications found in section 4 of this act
24 ~~sections 14-2102 and 14-2103.~~

25 Sec. 60. Section 32-567, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 32-567 Vacancies in office shall be filled as follows:

28 (1) In state and judicial district offices and in the membership of
29 any board or commission created by the state when no other method is
30 provided, by the Governor;

31 (2) In county offices, by the county board;

1 (3) In the membership of the county board, by the county clerk,
2 county attorney, and county treasurer;

3 (4) In the membership of the city council, according to section
4 32-568 or 32-569, as applicable;

5 (5) In township offices, by the township board or, if there are two
6 or more vacancies on the township board, by the county board;

7 (6) In offices in public power and irrigation districts, according
8 to section 70-615;

9 (7) In offices in natural resources districts, according to section
10 2-3215;

11 (8) In offices in community college areas, according to section
12 85-1514;

13 (9) In offices in educational service units, according to section
14 79-1217;

15 (10) In offices in hospital districts, according to section 23-3534;

16 (11) In offices in metropolitan utilities districts, according to
17 section 6 of this act ~~14-2104~~;

18 (12) In membership on airport authority boards, according to section
19 3-502, 3-611, or 3-703, as applicable;

20 (13) In membership on the board of trustees of a road improvement
21 district, according to section 39-1607;

22 (14) In membership on the council of a municipal county, by the
23 council;

24 (15) For learning community coordinating councils, according to
25 section 32-546.01; and

26 (16) For regional metropolitan transit authority boards, according
27 to section 18-808.

28 Sec. 61. Section 60-336.02, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 60-336.02 Metropolitan utilities district means a district created
31 pursuant to section 3 of this act ~~14-2101~~.

1 Sec. 62. Section 66-1861, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 66-1861 In determining whether an enlargement or extension of a
4 natural gas service area, natural gas mains, or natural gas services is
5 in the public interest pursuant to section 66-1860, the following shall
6 constitute rebuttable presumptions:

7 (1) Any enlargement or extension by a metropolitan utilities
8 district within a city of the metropolitan class or its extraterritorial
9 zoning jurisdiction is in the public interest;

10 (2) Any enlargement or extension by a jurisdictional utility within
11 a city other than a city of the metropolitan class in which it serves
12 natural gas on a franchise basis or its extraterritorial zoning
13 jurisdiction is in the public interest; and

14 (3) Any enlargement or extension by a metropolitan utilities
15 district within its statutory boundary or within a city other than a city
16 of the metropolitan or primary class in which it serves natural gas on a
17 franchise basis or its extraterritorial zoning jurisdiction is in the
18 public interest.

19 Any enlargement or extension by a metropolitan utilities district
20 within the boundaries of a city of the metropolitan class involving the
21 exercise of the power of eminent domain pursuant to subsection (2) of
22 section 18 of this act ~~14-2116~~ shall, by reason of such exercise, be
23 conclusively determined to be in the public interest.

24 Sec. 63. Section 71-6316, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 71-6316 The Asbestos Control Act shall not apply to a district as
27 defined in section 70-601 or a metropolitan utilities district subject to
28 the Metropolitan Utilities District Act ~~sections 14-2101 to 14-2157.~~

29 Sec. 64. Section 84-304, Revised Statutes Cumulative Supplement,
30 2022, is amended to read:

31 84-304 It shall be the duty of the Auditor of Public Accounts:

1 (1) To give information electronically to the Legislature, whenever
2 required, upon any subject relating to the fiscal affairs of the state or
3 with regard to any duty of his or her office;

4 (2) To furnish offices for himself or herself and all fuel, lights,
5 books, blanks, forms, paper, and stationery required for the proper
6 discharge of the duties of his or her office;

7 (3)(a) To examine or cause to be examined, at such time as he or she
8 shall determine, books, accounts, vouchers, records, and expenditures of
9 all state officers, state bureaus, state boards, state commissioners, the
10 state library, societies and associations supported by the state, state
11 institutions, state colleges, and the University of Nebraska, except when
12 required to be performed by other officers or persons. Such examinations
13 shall be done in accordance with generally accepted government auditing
14 standards for financial audits and attestation engagements set forth in
15 Government Auditing Standards (2011 Revision for audit periods ending
16 before June 30, 2020, or 2018 Revision for audit periods ending on or
17 after June 30, 2020), published by the Comptroller General of the United
18 States, Government Accountability Office, and except as provided in
19 subdivision (11) of this section, subdivision (16) of section 50-1205,
20 and section 84-322, shall not include performance audits, whether
21 conducted pursuant to attestation engagements or performance audit
22 standards as set forth in Government Auditing Standards (2018 Revision),
23 published by the Comptroller General of the United States, Government
24 Accountability Office.

25 (b) Any entity, excluding the state colleges and the University of
26 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of
27 this section and that is the subject of a comment and recommendation in a
28 management letter or report issued by the Auditor of Public Accounts
29 shall, on or before six months after the issuance of such letter or
30 report, provide to the Auditor of Public Accounts a detailed written
31 description of any corrective action taken or to be taken in response to

1 the comment and recommendation. The Auditor of Public Accounts may
2 investigate and evaluate the corrective action. The Auditor of Public
3 Accounts shall then electronically submit a report of any findings of
4 such investigation and evaluation to the Governor, the appropriate
5 standing committee of the Legislature, and the Appropriations Committee
6 of the Legislature. The Auditor of Public Accounts shall also ensure that
7 the report is delivered to the Appropriations Committee for entry into
8 the record during the committee's budget hearing process;

9 (4)(a) To examine or cause to be examined, at the expense of the
10 political subdivision, when the Auditor of Public Accounts determines
11 such examination necessary or when requested by the political
12 subdivision, the books, accounts, vouchers, records, and expenditures of
13 any agricultural association formed under Chapter 2, article 20, any
14 county agricultural society, any joint airport authority formed under the
15 Joint Airport Authorities Act, any city or county airport authority, any
16 bridge commission created pursuant to section 39-868, any cemetery
17 district, any community redevelopment authority or limited community
18 redevelopment authority established under the Community Development Law,
19 any development district, any drainage district, any health district, any
20 local public health department as defined in section 71-1626, any
21 historical society, any hospital authority or district, any county
22 hospital, any housing agency as defined in section 71-1575, any
23 irrigation district, any county or municipal library, any community
24 mental health center, any railroad transportation safety district, any
25 rural water district, any township, Wyuka Cemetery, the Educational
26 Service Unit Coordinating Council, any entity created pursuant to the
27 Interlocal Cooperation Act, any educational service unit, any village,
28 any service contractor or subrecipient of state or federal funds, any
29 political subdivision with the authority to levy a property tax or a
30 toll, or any entity created pursuant to the Joint Public Agency Act.

31 For purposes of this subdivision, service contractor or subrecipient

1 means any nonprofit entity that expends state or federal funds to carry
2 out a state or federal program or function, but it does not include an
3 individual who is a direct beneficiary of such a program or function or a
4 licensed health care provider or facility receiving direct payment for
5 medical services provided for a specific individual.

6 (b) The Auditor of Public Accounts may waive the audit requirement
7 of subdivision (4)(a) of this section upon the submission by the
8 political subdivision of a written request in a form prescribed by the
9 auditor. The auditor shall notify the political subdivision in writing of
10 the approval or denial of the request for a waiver.

11 (c) Through December 31, 2017, the Auditor of Public Accounts may
12 conduct audits under this subdivision for purposes of sections 2-3228,
13 12-101, 13-2402, 14-567, 14-1805.01, ~~14-2111~~, 16-1017, 16-1037, 19-3501,
14 23-1118, 23-3526, 71-1631.02, and 79-987.

15 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
16 conduct audits under this subdivision for purposes of sections 13-2402,
17 14-567, 14-1805.01, ~~14-2111~~, 15-1017, 16-1017, 16-1037, 18-814,
18 71-1631.02, and 79-987 and section 13 of this act and shall prescribe the
19 form for the annual reports required in each of such sections. Such
20 annual reports shall be published annually on the website of the Auditor
21 of Public Accounts;

22 (5) To report promptly to the Governor and the appropriate standing
23 committee of the Legislature the fiscal condition shown by such
24 examinations conducted by the auditor, including any irregularities or
25 misconduct of officers or employees, any misappropriation or misuse of
26 public funds or property, and any improper system or method of
27 bookkeeping or condition of accounts. The report submitted to the
28 committee shall be submitted electronically. In addition, if, in the
29 normal course of conducting an audit in accordance with subdivision (3)
30 of this section, the auditor discovers any potential problems related to
31 the effectiveness, efficiency, or performance of state programs, he or

1 she shall immediately report them electronically to the Legislative
2 Performance Audit Committee which may investigate the issue further,
3 report it electronically to the appropriate standing committee of the
4 Legislature, or both;

5 (6)(a) To examine or cause to be examined the books, accounts,
6 vouchers, records, and expenditures of a fire protection district. The
7 expense of the examination shall be paid by the political subdivision.

8 (b) Whenever the expenditures of a fire protection district are one
9 hundred fifty thousand dollars or less per fiscal year, the fire
10 protection district shall be audited no more than once every five years
11 except as directed by the board of directors of the fire protection
12 district or unless the auditor receives a verifiable report from a third
13 party indicating any irregularities or misconduct of officers or
14 employees of the fire protection district, any misappropriation or misuse
15 of public funds or property, or any improper system or method of
16 bookkeeping or condition of accounts of the fire protection district. In
17 the absence of such a report, the auditor may waive the five-year audit
18 requirement upon the submission of a written request by the fire
19 protection district in a form prescribed by the auditor. The auditor
20 shall notify the fire protection district in writing of the approval or
21 denial of a request for waiver of the five-year audit requirement. Upon
22 approval of the request for waiver of the five-year audit requirement, a
23 new five-year audit period shall begin.

24 (c) Whenever the expenditures of a fire protection district exceed
25 one hundred fifty thousand dollars in a fiscal year, the auditor may
26 waive the audit requirement upon the submission of a written request by
27 the fire protection district in a form prescribed by the auditor. The
28 auditor shall notify the fire protection district in writing of the
29 approval or denial of a request for waiver. Upon approval of the request
30 for waiver, a new five-year audit period shall begin for the fire
31 protection district if its expenditures are one hundred fifty thousand

1 dollars or less per fiscal year in subsequent years;

2 (7) To appoint two or more assistant deputies (a) whose entire time
3 shall be devoted to the service of the state as directed by the auditor,
4 (b) who shall be certified public accountants with at least five years'
5 experience, (c) who shall be selected without regard to party affiliation
6 or to place of residence at the time of appointment, (d) who shall
7 promptly report to the auditor the fiscal condition shown by each
8 examination, including any irregularities or misconduct of officers or
9 employees, any misappropriation or misuse of public funds or property,
10 and any improper system or method of bookkeeping or condition of
11 accounts, and it shall be the duty of the auditor to file promptly with
12 the Governor a duplicate of such report, and (e) who shall qualify by
13 taking an oath which shall be filed in the office of the Secretary of
14 State;

15 (8) To conduct audits and related activities for state agencies,
16 political subdivisions of this state, or grantees of federal funds
17 disbursed by a receiving agency on a contractual or other basis for
18 reimbursement to assure proper accounting by all such agencies, political
19 subdivisions, and grantees for funds appropriated by the Legislature and
20 federal funds disbursed by any receiving agency. The auditor may contract
21 with any political subdivision to perform the audit of such political
22 subdivision required by or provided for in section 23-1608 or 79-1229 or
23 this section and charge the political subdivision for conducting the
24 audit. The fees charged by the auditor for conducting audits on a
25 contractual basis shall be in an amount sufficient to pay the cost of the
26 audit. The fees remitted to the auditor for such audits and services
27 shall be deposited in the Auditor of Public Accounts Cash Fund;

28 (9)(a) To examine or cause to be examined the books, accounts,
29 vouchers, and records related to any money transferred pursuant to
30 subsection (4) of section 9-812, any fund receiving any such transfer, or
31 any subsequent transfer or expenditure of such money when the Auditor of

1 Public Accounts determines such examination necessary or when requested
2 by (i) any department or agency receiving any such transfer or acting as
3 the administrator for a fund receiving any such transfer, (ii) any
4 recipient or subsequent recipient of money disbursed from any such fund,
5 or (iii) any service contractor responsible for managing, on behalf of
6 any entity, any portion of any such fund or any money disbursed from any
7 such fund.

8 (b) Any examination pursuant to subdivision (9)(a) of this section
9 shall be made at the expense of the department or agency, recipient or
10 subsequent recipient, or service contractor whose books, accounts,
11 vouchers, or records are being examined.

12 (c) For purposes of this subdivision, recipient, subsequent
13 recipient, or service contractor means a nonprofit entity that expends
14 funds transferred pursuant to subsection (4) of section 9-812 to carry
15 out a state program or function, but does not include an individual who
16 is a direct beneficiary of such a program or function.

17 (d) The Auditor of Public Accounts shall prescribe the form for the
18 annual reports required in subsection (5) of section 9-812. Such annual
19 reports shall be published on the website of the Auditor of Public
20 Accounts;

21 (10) To develop and maintain an annual budget and actual financial
22 information reporting system for political subdivisions that is
23 accessible online by the public;

24 (11) When authorized, to conduct joint audits with the Legislative
25 Performance Audit Committee as described in section 50-1205;

26 (12) Unless otherwise specifically provided, to assess the interest
27 rate on delinquent payments of any fees for audits and services owing to
28 the Auditor of Public Accounts at a rate of fourteen percent per annum
29 from the date of billing unless paid within thirty days after the date of
30 billing. For an entity created pursuant to the Interlocal Cooperation Act
31 or the Joint Public Agency Act, any participating public agencies shall

1 be jointly and severally liable for the fees and interest owed if such
2 entity is defunct or unable to pay; and

3 (13) In consultation with statewide associations representing (a)
4 counties and (b) cities and villages, to approve annual continuing
5 education programs for county treasurers, city treasurers, and village
6 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
7 23-1601. The cost of attending such programs shall be at the expense of
8 the county, city, or village. The auditor shall maintain records of
9 program attendance and notify each county board, city council, or village
10 board of trustees if its treasurer has not completed such program
11 attendance. The auditor shall inform the Attorney General and the county
12 attorney of the county in which a treasurer is located if such treasurer
13 has not completed a required annual continuing education program.

14 Sec. 65. Section 84-304.02, Revised Statutes Cumulative Supplement,
15 2022, is amended to read:

16 84-304.02 The Auditor of Public Accounts, or a person designated by
17 him or her, may prepare a written review of all audit, accounting, or
18 financial reports required to be filed by a political subdivision of the
19 state with the Auditor of Public Accounts and of public retirement system
20 plan reports required to be submitted to the Auditor of Public Accounts
21 pursuant to sections 2-3228, 12-101, 14-567, 14-1805.01, ~~14-2111,~~
22 15-1017, 16-1017, 16-1037, 18-814, 19-3501, 23-1118, 23-3526, 71-1631.02,
23 79-987, and 84-304 and section 13 of this act and cause one copy of such
24 written review to be mailed to the political subdivision involved and one
25 copy to the accountant who prepared the report. Such written review shall
26 specifically set forth wherein the audit, accounting, financial, or
27 retirement system plan report fails to comply with the applicable minimum
28 standards and the necessary action to be taken to bring the report into
29 compliance with such standards. The Auditor of Public Accounts may, upon
30 continued failure to comply with such standards, refuse to accept for
31 filing an audit, accounting, financial, or retirement system plan report

1 or any future report submitted for filing by any political subdivision.

2 Sec. 66. The Revisor of Statutes shall assign sections 2 to 58 of
3 this act to a new article in Chapter 66.

4 Sec. 67. Original sections 13-2802, 14-2101, 14-2102, 14-2103,
5 14-2104, 14-2105, 14-2106, 14-2107, 14-2108, 14-2109, 14-2110, 14-2111,
6 14-2112, 14-2113, 14-2114, 14-2115, 14-2116, 14-2117, 14-2118, 14-2119,
7 14-2120, 14-2121, 14-2122, 14-2123, 14-2124, 14-2125, 14-2126, 14-2127,
8 14-2128, 14-2129, 14-2130, 14-2131, 14-2132, 14-2133, 14-2134, 14-2135,
9 14-2136, 14-2137, 14-2138, 14-2139, 14-2141, 14-2142, 14-2143, 14-2144,
10 14-2145, 14-2146, 14-2147, 14-2148, 14-2149, 14-2150, 14-2151, 14-2152,
11 14-2153, 14-2154, 14-2155, 14-2156, 14-2157, 32-540, 60-336.02, 66-1861,
12 and 71-6316, Reissue Revised Statutes of Nebraska, and sections 32-567,
13 84-304, and 84-304.02, Revised Statutes Cumulative Supplement, 2022, are
14 repealed.