

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 267**

Introduced by McCollister, 20.

Read first time January 12, 2021

Committee:

1 A BILL FOR AN ACT relating to municipal counties; to amend sections  
2 13-2801, 13-2802, 13-2803, 13-2804, 13-2805, 13-2806, 13-2810,  
3 13-2813, 13-2818, 13-2819, and 66-1859, Reissue Revised Statutes of  
4 Nebraska, and sections 13-520 and 13-2809, Revised Statutes  
5 Cumulative Supplement, 2020; to provide an exception to certain  
6 budget limitations; to change provisions relating to municipal  
7 counties; to harmonize provisions; and to repeal the original  
8 sections.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-520, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 13-520 The limitations in section 13-519 shall not apply to (1)  
4 restricted funds budgeted for capital improvements, (2) restricted funds  
5 expended from a qualified sinking fund for acquisition or replacement of  
6 tangible personal property with a useful life of five years or more, (3)  
7 restricted funds pledged to retire bonds as defined in subdivision (1) of  
8 section 10-134 and approved according to law, (4) restricted funds used  
9 by a public airport to retire interest-free loans from the Division of  
10 Aeronautics of the Department of Transportation in lieu of bonded  
11 indebtedness at a lower cost to the public airport, (5) restricted funds  
12 budgeted in support of a service which is the subject of an agreement or  
13 a modification of an existing agreement whether operated by one of the  
14 parties to the agreement or by an independent joint entity or joint  
15 public agency or restricted funds budgeted in support of a service that  
16 had been the subject of such an agreement between a city and a county or  
17 counties immediately prior to the merger or consolidation of the city and  
18 the county or counties pursuant to sections 13-2801 to 13-2819, (6)  
19 restricted funds budgeted to pay for repairs to infrastructure damaged by  
20 a natural disaster which is declared a disaster emergency pursuant to the  
21 Emergency Management Act, (7) restricted funds budgeted to pay for  
22 judgments, except judgments or orders from the Commission of Industrial  
23 Relations, obtained against a governmental unit which require or obligate  
24 a governmental unit to pay such judgment, to the extent such judgment is  
25 not paid by liability insurance coverage of a governmental unit, or (8)  
26 the dollar amount by which restricted funds budgeted by a natural  
27 resources district to administer and implement ground water management  
28 activities and integrated management activities under the Nebraska Ground  
29 Water Management and Protection Act exceed its restricted funds budgeted  
30 to administer and implement ground water management activities and  
31 integrated management activities for FY2003-04.

1           Sec. 2. Section 13-2801, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           13-2801 (1) One or more counties and at least one of the  
4 municipalities in each county may create a municipal county to carry out  
5 all county services and all municipal services. The process of creating a  
6 municipal county shall begin by passage of a joint resolution by the  
7 governing bodies of the counties and municipalities involved. The joint  
8 resolution may be initiated by the governing bodies or by petition as  
9 provided in subsection (2) of this section.

10           (2) Whenever registered voters of any county and of at least one  
11 municipality in the county, equal in number to ten percent of the total  
12 vote cast for Governor in the county or municipality at the preceding  
13 election, petition the respective county board and city council or  
14 village board of trustees to pass a resolution as contemplated by this  
15 section, it shall be the duty of the county board and city council or  
16 village board to pass a joint resolution creating an interjurisdictional  
17 planning commission. Petitions shall be filed with the county clerk,  
18 election commissioner, city clerk, or other officer having charge of the  
19 records of the governing body. The official shall ascertain the number of  
20 registered voters signing such petitions and transmit his or her  
21 findings, along with the petition, to the county board and city council  
22 or village board of trustees.

23           (3) Except as provided in subsection (4) of this section, the  
24 following provisions shall apply:

25           (a) Within ninety days after the passage of the joint resolution or  
26 within ninety days after receipt of a petition by the registered voters,  
27 the governing bodies of the counties and municipalities involved shall  
28 create an interjurisdictional planning commission. A commission may also  
29 be created by the district court having jurisdiction over the counties  
30 and municipalities involved upon the failure by the counties and  
31 municipalities to pass a joint resolution after submission of a petition

1 by the registered voters. The commission shall have no less than nine  
2 members and no more than twenty-one members representing the counties and  
3 municipalities involved as determined by the governing bodies of the  
4 counties and municipalities involved in order to achieve proportionate  
5 representation. The governing bodies shall select the members.  
6 Representation on the commission shall be prorated based upon population  
7 of the counties and municipalities involved, except that (i) ~~(a)~~ each  
8 county and each municipality involved shall have at least one  
9 representative selected by its respective governing body and (ii) ~~(b)~~ not  
10 more than forty percent of the total membership shall be public  
11 officials. Meetings of the commission shall be subject to the Open  
12 Meetings Act; -

13 (b) ~~(4)(a)~~ The commission shall hold at least one public hearing  
14 prior to preparing the plan for the creation of the municipal county,  
15 study all governmental subdivisions in the affected area, and then make a  
16 determination of whether creation of a municipal county is in the public  
17 interest. If it is not in the public interest to do so, the commission  
18 shall issue a report stating its findings, including, but not limited to,  
19 any recommendations regarding (i) interlocal agreements, (ii) agreements  
20 to provide for the joint delivery of services, or (iii) any other such  
21 recommendations. If it is in the public interest to do so, the commission  
22 shall prepare one plan for the creation of the municipal county. Such  
23 plan shall be approved by the governing body of each county and each  
24 municipality involved prior to submission of the issue to a vote of the  
25 registered voters unless the commission was created by a petition of the  
26 registered voters; -

27 (c) ~~(b)~~ The plan shall specify (i) which counties and municipalities  
28 will be dissolved upon creation of the municipal county, (ii) the form of  
29 government, with an elected executive officer, a professional municipal  
30 county manager or administrator appointed by the commission, or both, to  
31 operate the executive functions of the municipal county, (iii) the number

1 of council members of the municipal county and whether they will be  
2 elected by district or at large, and (iv) which elected officials, if  
3 any, will be eliminated; -

4 (d) ~~(e)~~ At least ninety days prior to submission of the issue to a  
5 vote of the registered voters, the commission and the governing body of  
6 each county and each municipality involved shall hold at least one public  
7 hearing in its respective jurisdiction and make available for review by  
8 residents of the county and municipality all material terms and  
9 conditions set forth in the resolution to create the municipal county,  
10 including information regarding the tax implications and quality and cost  
11 of services to be provided by the proposed plan to create the municipal  
12 county; and -

13 (e) ~~(5)~~ Upon approval of the plan by the governing body of each  
14 county and each municipality involved, if required, or upon the governing  
15 bodies' approval or failure to approve if the commission was created by a  
16 petition of the registered voters, the county clerks or election  
17 commissioners shall place the issue on the ballot at the next primary,  
18 general, or special election.

19 (4) Whenever the proposed creation of a municipal county involves a  
20 merger or consolidation between one or more counties and a city of the  
21 metropolitan class, the following provisions shall apply:

22 (a) Within thirty days after the passage of the joint resolution or  
23 within thirty days after receipt of a petition by the registered voters,  
24 the governing bodies of the county or counties and the city of the  
25 metropolitan class involved shall create an interjurisdictional planning  
26 commission. A commission may also be created by the district court having  
27 jurisdiction over the county or counties and the city of the metropolitan  
28 class involved upon the failure by the county or counties and such city  
29 to pass a joint resolution after submission of a petition by the  
30 registered voters. The commission shall have seven members. Two members  
31 shall be chosen by the governing body of the county or counties proposed

1 to be merged or consolidated, and two members shall be chosen by the  
2 mayor of the city of the metropolitan class proposed to be merged or  
3 consolidated, subject to confirmation by the governing body of that city.  
4 The final three members of the commission shall be the choice of the  
5 first four members jointly, and shall have education, experience, or  
6 expertise with respect to the formation or governance of political  
7 subdivisions. No member of the commission may be an elected public  
8 official. Meetings of the commission shall be subject to the Open  
9 Meetings Act. The governing bodies may provide for the payment of  
10 reasonable compensation and reasonable expenses for the members of the  
11 commission;

12 (b) The purpose of the commission shall be to create a plan of  
13 merger for the county or counties and the city of the metropolitan class  
14 and to present the plan of merger to the governing bodies of the county  
15 or counties and city as provided in subdivision (d) of this subsection;

16 (c) The plan shall specify (i) the manner in which the county or  
17 counties and the city of the metropolitan class will be dissolved or  
18 otherwise changed in legal status upon creation of the municipal county,  
19 (ii) that the executive and legislative functions of the county or  
20 counties and the city of the metropolitan class shall be merged, with an  
21 elected mayor who shall be the chief executive officer of the municipal  
22 county, and a municipal county council of eleven members, who shall be  
23 elected as provided in subdivision (1)(b) of section 13-2803, (iii) the  
24 initial division and boundaries of the eleven council districts for the  
25 municipal county council, (iv) the elected offices, if any, that will be  
26 eliminated upon creation of the municipal county, (v) the date of  
27 creation of the municipal county following the vote required under  
28 section 13-2810, (vi) that, upon creation of the municipal county, the  
29 municipal county council shall have the power to eliminate any offices  
30 within the municipal county, other than the office of mayor of the  
31 municipal county, and (vii) such other matters as deemed appropriate by

1 the commission;

2 (d) Within thirty days after its formation, the commission shall  
3 hold a public hearing on the proposed creation of the municipal county.  
4 Within ninety days after the public hearing, the commission shall prepare  
5 its plan for the creation of the municipal county and shall submit the  
6 plan for approval by the governing bodies of the county or counties and  
7 the city of the metropolitan class proposed to be merged or consolidated;

8 (e) Within forty-five days after receipt of the plan from the  
9 commission, but no later than ninety days prior to submission of the  
10 proposed merger for a vote pursuant to section 13-2810, the governing  
11 bodies of the county or counties and the city of the metropolitan class  
12 shall hold a public hearing on the commission's plan and shall vote to  
13 approve or disapprove the plan. The governing bodies of the county or  
14 counties and the city of the metropolitan class may hold the public  
15 hearing jointly, but shall vote separately on the commission's plan; and

16 (f) Upon approval of the plan in subdivision (e) of this subsection,  
17 or upon the governing bodies' approval or failure to approve if the  
18 commission was created by a petition of the registered voters, the county  
19 clerks or election commissioners shall place the issue on the ballot of  
20 the next general election. If at such time there is less than thirty days  
21 before the next scheduled general election, the issue shall be placed on  
22 the ballot of the first available election following such scheduled  
23 general election.

24 Sec. 3. Section 13-2802, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 13-2802 Whenever creation of a municipal county is proposed  
27 involving a city of the metropolitan class, the plan of merger or  
28 consolidation approved pursuant to section 13-2801 shall not increase or  
29 decrease interjurisdictional planning commission shall include in its  
30 plan a recommendation with regard to the territory within which any  
31 metropolitan utilities district shall have and may exercise the power of

1 eminent domain pursuant to subsection (2) of section 14-2116. ~~The plan~~  
2 ~~shall further include a recommendation with regard to the territory which~~  
3 ~~shall be deemed to be within the corporate boundary limits or~~  
4 ~~extraterritorial zoning jurisdiction of a municipality or a municipality~~  
5 ~~dissolved by the creation of the municipal county for purposes of the~~  
6 ~~State Natural Gas Regulation Act. The question of creation of the~~  
7 ~~municipal county shall not be submitted to a vote under section 13-2810~~  
8 ~~until a law adopting the provisions required by this section has been~~  
9 ~~enacted.~~

10 Sec. 4. Section 13-2803, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 13-2803 (1)(a) Except as provided in subdivision (1)(b) of this  
13 section, a municipal county created under section 13-2801 shall be  
14 governed by a council of five to nine members, at least two-thirds of  
15 whom shall be elected by district. The council members shall be elected  
16 on a nonpartisan ballot. The area involved in the consolidation shall be  
17 divided into districts of as equal population as possible so that at  
18 least a majority of the members of the council are elected by district.  
19 The division shall be made by the county board members of each county  
20 involved by January 31 of the year in which the council members are to be  
21 elected. A majority of the council members shall constitute a quorum for  
22 the purpose of transacting business. The council shall annually elect a  
23 chairperson from among its members. Each council member shall be elected  
24 to a four-year term beginning with the first general election following  
25 the formation, except that at the first election, fifty to sixty percent  
26 of the members shall be elected to four-year terms and the others shall  
27 be elected to two-year terms. If there are to be at-large members, the  
28 district-elected members shall be elected to four-year terms and the at-  
29 large members shall be elected to two-year terms. If there are to be no  
30 at-large members, the members elected to four-year terms and the members  
31 elected to two-year terms shall be selected by lot.



1           (b) Whenever a A municipal county created under section 13-2801  
2 involves a merger or consolidation with , ~~in which is situated~~ a city of  
3 the metropolitan class, the municipal county shall be governed by a  
4 council of eleven ~~fifteen~~ members who shall be elected by districts. The  
5 council members shall be elected on a nonpartisan ballot. The area  
6 involved in the merger or consolidation shall be divided into eleven  
7 ~~fifteen~~ council districts of compact and contiguous territory. Such  
8 districts shall be numbered consecutively from one to eleven ~~fifteen~~. One  
9 council member shall be elected from each district. The initial division,  
10 prior to the creation of the municipal county, shall be made as provided  
11 in subdivision (4)(c) of section 13-2801 and incorporated into the plan  
12 provided for in such section. ~~The division shall be made by the county~~  
13 ~~board members of each county involved, by January 31 of the year in which~~  
14 ~~the council members are to be elected.~~ Each council member shall be  
15 elected to a four-year term, except that at the first general election  
16 following the formation, the members elected from even-numbered districts  
17 shall be elected to four-year terms and members elected from odd-numbered  
18 districts shall be elected to two-year terms and to four-year terms  
19 thereafter. The determination of even-numbered and odd-numbered districts  
20 shall be made by a random process established by the commission created  
21 in subsection (4) of section 13-2801 and the districts shall be so  
22 identified in the plan provided for in such section. A majority of the  
23 council members shall constitute a quorum for the purpose of transacting  
24 business. The council shall annually elect a chairperson from among its  
25 members. Following formation of the municipal county and the first  
26 election provided for in this section, the ~~The~~ council shall be  
27 responsible for redrawing the council district boundaries pursuant to  
28 section 32-553.

29           (c) Initial elections of the council members and the executive  
30 officer, if applicable, shall be completed by May 15 of the year the  
31 municipal county is created.

1           (2) Except when the proposed creation of a municipal county includes  
2 a merger or consolidation of a city of the metropolitan class, if ~~If~~ the  
3 plan to create the municipal county provides for an executive officer to  
4 operate the executive functions of the municipal county, the executive  
5 officer shall be elected to a four-year term beginning with the first  
6 general election following the formation of the municipal county.  
7 Whenever the proposed creation of a municipal county involves the merger  
8 or consolidation of a county or counties and a city of the metropolitan  
9 class, the municipal county mayor shall be elected initially for a three-  
10 year term beginning with the first general election following the  
11 formation of the municipal county, and thereafter to four-year terms.

12           (3) The resolution proposing creation of the municipal county may  
13 retain, as an elected position, any elected county office in any county  
14 to be consolidated into the municipal county. If such elected officials  
15 are to be retained, the officials in such offices at the time the  
16 municipal county is created may be retained or, if more than one such  
17 elected official are in office at the time the municipal county is  
18 created, the officials shall be elected together with the council members  
19 and executive officer of the municipal county.

20           Sec. 5. Section 13-2804, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22           13-2804   (1)(a) Except as provided in subdivision (1)(b) of this  
23 section, a ~~(1)~~ A municipal county has the powers and duties of a county  
24 and shall fulfill the same role as other counties and county officials of  
25 the municipal county as would be applicable to a county of the same  
26 population as the municipal county. Any reference in law to counties  
27 shall be deemed to refer to a municipal county. A municipal county has  
28 the powers and duties of cities and villages as would be applicable to  
29 the largest municipality consolidated into the municipal county. Any  
30 reference in law to cities, villages, or municipalities shall be deemed  
31 to apply also to a municipal county.

1       (b) With respect to a municipal county formed by a merger or  
2 consolidation of a county or counties and a city of the metropolitan  
3 class, the municipal county shall have the same powers and duties of the  
4 county prior to the merger or consolidation, and, in addition, shall have  
5 the power and duties of a city of the metropolitan class, including any  
6 home rule charter authority pursuant to Article XI, section 5, of the  
7 Constitution of Nebraska. Without limiting the foregoing, the municipal  
8 county council shall have the power to eliminate any elected offices  
9 within the municipal county except the office of mayor of the municipal  
10 county. Any reference in law to counties shall be deemed to refer and  
11 apply to the newly formed municipal county, and any reference in law to a  
12 city of the metropolitan class also shall be deemed to refer and apply to  
13 the newly formed municipal county. In the event of a conflict between the  
14 laws applicable to counties and those applicable to cities of the  
15 metropolitan class, the laws applicable to a city of the metropolitan  
16 class, including any home rule charter authority pursuant to Article XI,  
17 section 5, of the Constitution of Nebraska, shall govern.

18       (2) On the date of creation of a municipal county, all ordinances,  
19 bylaws, acts, motions, rules, resolutions, and proclamations enacted by  
20 the governing body of each county or municipality involved shall continue  
21 in full force and effect, with respect to the counties and municipalities  
22 consolidated into the municipal county, until amended, repealed, or  
23 otherwise superseded by the council of the municipal county or as  
24 otherwise provided in an applicable home rule charter. Unless otherwise  
25 provided in the plan adopted pursuant to section 13-2801, all ~~All~~  
26 obligations, leases, and contracts of the counties or municipalities  
27 consolidated into the municipal county, except for bonded indebtedness,  
28 shall become obligations, leases, and contracts of the municipal county.  
29 In the event any utility, lease, franchise, or service area agreement has  
30 been entered into by or is applicable to a county or municipality  
31 involved, the utility, lease, franchise, or service area agreement shall

1 be unaffected by the creation of the municipal county and unchanged by  
2 the elimination of the municipal or county boundaries. In the event any  
3 service area or territory in which powers of a political subdivision  
4 could be exercised or boundaries of a political subdivision were  
5 previously defined by reference, in whole or in part, to the boundaries  
6 of a participating municipality or county, the boundaries of such service  
7 area or territory or political subdivision, and the exercise of the  
8 powers of the political subdivision, shall be unaffected by the creation  
9 of a municipal county and unchanged by the elimination of the municipal  
10 or county boundaries. The boundaries and exercise of powers of school  
11 districts shall be unaffected by the creation of any municipal county.

12 Sec. 6. Section 13-2805, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 13-2805 (1) A municipal county may adopt ordinances, and any such  
15 ordinances may be drafted to ~~shall~~ supersede those of any municipality or  
16 county consolidated into the municipal county.

17 (2) All ordinances shall be passed pursuant to such rules and  
18 regulations as the council may provide, and all such ordinances may be  
19 proved by the certificate of the council. When printed or published in  
20 book or pamphlet form and purporting to be published by authority of the  
21 municipal county, such ordinances shall be read and received in evidence  
22 in all courts and places without further proof. The passage, approval,  
23 and publication or posting of an ordinance shall be sufficiently proved  
24 by a certificate from the council showing that the ordinance was passed  
25 and approved and when and in what newspaper the ordinance was published  
26 or when, by whom, and where the ordinance was posted. When ordinances are  
27 published in book or pamphlet form, purporting to be published by  
28 authority of the council, the same need not be otherwise published, and  
29 the book or pamphlet shall be received as evidence of the passage and  
30 legal publication of the ordinances, as of the dates mentioned in the  
31 book or pamphlet, in all courts without further proof.

1           Sec. 7. Section 13-2806, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           13-2806 (1) All ordinances and resolutions or orders for the  
4 appropriation or payment of money shall require for their passage or  
5 adoption the concurrence of a majority of all members of the council.

6           (2) Ordinances of a general or permanent nature shall be read by  
7 title on three different days unless otherwise authorized by an  
8 applicable home rule charter ~~three-fourths of the members vote to suspend~~  
9 ~~this requirement.~~

10          (3) Ordinances shall contain no subject which is not clearly  
11 expressed in the title, and, except as provided in section 19-915, no  
12 ordinance or section thereof shall be revised or amended unless the new  
13 ordinance contains the entire ordinance or section as revised or amended  
14 and the ordinance or section so amended is repealed, except that for an  
15 ordinance revising all the ordinances of the municipal county the only  
16 title necessary shall be: "An ordinance of the municipal county  
17 of ....., revising all the ordinances of the municipal county."  
18 Under such title, all the ordinances may be revised in sections and  
19 chapters or otherwise, may be corrected, added to, and any part  
20 suppressed, and may be repealed with or without a saving clause as to the  
21 whole or any part without other title.

22          Sec. 8. Section 13-2809, Revised Statutes Cumulative Supplement,  
23 2020, is amended to read:

24          13-2809 (1) Except as provided in subsection (2) of this section, An  
25 ~~area within the boundaries of~~ a municipality which remains within the  
26 boundaries of a municipal county and is not consolidated into the  
27 municipal county at the time of the formation of the municipal county  
28 ~~shall not be considered to be part of the municipal county for any~~  
29 ~~purpose.~~ Such a municipality shall not be annexed by the municipal  
30 county, and such a municipality shall not annex any territory, for at  
31 least four years after the date of creation of the municipal county. Such

1 a municipality shall retain:

2 (a) The authority to levy property taxes, not to exceed ninety cents  
3 per one hundred dollars of taxable value except as provided in sections  
4 77-3442 and 77-3444; and

5 (b) All the other powers and duties applicable to a municipality of  
6 the same population with the same form of government in effect on the  
7 date of creation of the municipal county, including, but not limited to,  
8 its zoning jurisdiction and the authority to impose a tax as provided in  
9 the Local Option Revenue Act.

10 (2) Whenever the creation of a municipal county involves the merger  
11 or consolidation of a county or counties and a city of the metropolitan  
12 class, any other municipality located within the existing county that is  
13 not consolidated into the municipal county may be annexed by the new  
14 municipal county in accordance with the laws applicable to cities of the  
15 metropolitan class as long as the boundaries of the municipal county's  
16 urban service area are adjacent to the boundaries of such municipality.  
17 For purposes of this subsection, urban service area means the area  
18 encompassed within the boundaries of the city of the metropolitan class  
19 at the time of creation of the municipal county and any expansion of such  
20 area by action of the municipal county council or by annexation. If a  
21 municipality is not annexed by the new municipal county, such a  
22 municipality shall retain:

23 (a) The authority to levy property taxes within its boundaries, not  
24 to exceed fifty cents per one hundred dollars of taxable value except as  
25 provided in sections 77-3442 and 77-3444; and

26 (b) All the other powers and duties applicable to a municipality of  
27 the same population with the same form of government in effect on the  
28 date of creation of the municipal county, except that the municipality  
29 shall not annex any territory after the date of creation of the municipal  
30 county that is within the municipal county's urban service area.

31 (3) (-2) In order to provide economical and efficient services, a

1 municipality within the boundaries of a municipal county may annex  
2 adjacent territory within the municipal county if the municipal county  
3 consents. ~~Consent shall be granted if the services will be provided by~~  
4 ~~the municipality within the annexed territory at less cost than similar~~  
5 ~~services provided by the municipal county.~~

6 (4) (3) All fire protection districts which are within the  
7 boundaries of a municipal county shall continue to exist after formation  
8 of the municipal county.

9 Sec. 9. Section 13-2810, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 13-2810 (1) The powers granted by sections 13-2801 to 13-2809 shall  
12 not be exercised unless and until the question has been submitted at a  
13 primary, general, or special election held within the county or counties  
14 involved and in which registered voters within the boundaries of the  
15 proposed municipal county are entitled to vote on such question. The  
16 ballot question may combine the issues of creation of the municipal  
17 county, the merger of the county or counties and its offices, the merger  
18 of each municipality proposed to be merged, and the authorization of a  
19 local sales and use tax under section 13-2813.

20 (2) The officials of each county and each municipality seeking to  
21 form the municipal county shall order the submission of the question for  
22 creation by submitting a certified copy of the resolution calling for  
23 creation to the election commissioner or county clerk. The question may  
24 include any terms or conditions set forth in the resolution, such as the  
25 timing of the consolidation implementation, the number and method of  
26 election of council members, and any proposed name for the municipal  
27 county, and shall specifically state any offices to be eliminated.

28 (3) The election commissioner or county clerk shall give notice of  
29 the submission of the question not more than thirty days nor less than  
30 ten days before the election by publication one time in one or more  
31 newspapers published in or of general circulation within the boundaries

1 of the proposed municipal county in which the question is to be  
2 submitted. This notice is in addition to any other notice required under  
3 the Election Act.

4 (4)(a) The vote shall be tabulated separately for (i) all those  
5 voting on the question, (ii) those voting who reside in each county and  
6 any municipality which would be merged or consolidated into the proposed  
7 municipal county, and (iii) those voting who reside in the proposed  
8 municipal county ~~each county~~ but outside any municipality, ~~and~~ (iv) those  
9 ~~voting who reside in each county but outside any municipality or any~~  
10 ~~sanitary and improvement district.~~

11 (b) The proposal to form the municipal county shall be approved if  
12 (i) a majority of those voting who reside in each municipality proposed  
13 to be merged or consolidated into the municipal county and (ii) a  
14 majority of those voting who reside in areas of the county or counties to  
15 be merged or consolidated which are outside the boundaries of such  
16 municipality or municipalities vote to approve the merger or  
17 consolidation. ~~If a majority of those voting on the question, a majority~~  
18 ~~of those voting who reside in at least one county to be consolidated, a~~  
19 ~~majority of those voting who reside in at least one municipality which is~~  
20 ~~in one county voting in favor of consolidation, a majority of those~~  
21 ~~voting who reside in areas in the county to be consolidated which are~~  
22 ~~outside any municipality to be consolidated, and a majority of those~~  
23 ~~voting who reside in each county but outside any municipality or any~~  
24 ~~sanitary and improvement district vote in favor of consolidation, the~~  
25 ~~municipal county shall be deemed to be created for each county and~~  
26 ~~municipality which had a majority of those voting in favor of~~  
27 ~~consolidation according to the terms of the resolution. If no date of~~  
28 ~~creation is provided in the resolution, the municipal county shall be~~  
29 ~~deemed to be created on the following July 1. Any county in which a~~  
30 ~~majority of those voting approve the consolidation shall be deemed to be~~  
31 ~~abolished, and any municipality in such county which was proposed to be~~



1 ~~consolidated and in which a majority of those voting who reside in such~~  
2 ~~municipality approve the consolidation shall be deemed to be abolished.~~

3 ~~(c) The municipal county shall not be created (i) if a majority of~~  
4 ~~those voting on the question are opposed, (ii) if a majority of those~~  
5 ~~voting who reside in every county to be consolidated are opposed, (iii)~~  
6 ~~if a majority of those voting who reside in every municipality to be~~  
7 ~~consolidated which is in a county which approved are opposed, (iv) if a~~  
8 ~~majority of those voting who reside in areas in a county which approved~~  
9 ~~which are outside any municipality are opposed, or (v) if a majority of~~  
10 ~~those voting who reside in a county which approved but outside any~~  
11 ~~municipality or sanitary and improvement district are opposed.~~

12 (5) Any ~~If~~ a municipality within the boundaries of a municipal  
13 county that has not been merged or consolidated into ~~is not a part of the~~  
14 municipal county either because the governing body of the municipality  
15 ~~did not approve the resolution seeking inclusion or because the voters of~~  
16 ~~the municipality disapproved the consolidation, the municipality may~~  
17 later seek merger or consolidation ~~inclusion~~ into an existing municipal  
18 county by passing a resolution seeking inclusion ~~and approval~~ by those  
19 voting at a primary, general, or special election within the  
20 municipality. The officials of the municipality shall deliver a certified  
21 copy of the resolution to the appropriate officer of the municipal county  
22 proposing merger or consolidation ~~inclusion~~. If a majority of those  
23 voting in the municipality approve merger or consolidation ~~inclusion~~ and  
24 a majority of the elected council members of the municipal county vote to  
25 approve the merger or consolidation with inclusion ~~of~~ such municipality,  
26 the municipality shall be merged or consolidated ~~into~~ the municipal  
27 county. If a majority of those voting in the municipality disapprove or a  
28 majority of the elected council members of the municipal county do not  
29 vote to approve the merger or consolidation with inclusion ~~of~~ such  
30 municipality, it shall not be merged or consolidated.

31 (6) Any election under this section shall be conducted in accordance

1 with the procedures provided in the Election Act.

2 Sec. 10. Section 13-2813, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 13-2813 (1) A municipal county by ordinance of its council may  
5 impose a sales and use tax of one-half percent, one percent, or one and  
6 one-half percent upon the same transactions within the entire municipal  
7 county on which the state is authorized to impose a tax pursuant to the  
8 Nebraska Revenue Act of 1967, as amended from time to time.

9 (2) A municipal county shall not impose a new sales and use tax,  
10 increase the tax, or extend the territory of an existing sales and use  
11 tax until an election is held and a majority of those voting on the  
12 question ~~the registered voters as provided in section 13-2810~~ have  
13 approved the tax, increase, or extension. The ballot issue proposing  
14 approval of a new sales and use tax or the increase or territorial  
15 extension of an existing sales and use tax may be combined with the issue  
16 proposing creation of a municipal county.

17 Sec. 11. Section 13-2818, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 13-2818 (1)(a) Except as provided in subdivision (1)(b) of this  
20 section, sanitary ~~(1) Sanitary~~ and improvement districts located within a  
21 municipal county created under sections 13-2801 to 13-2819, unless  
22 consolidated into a municipal county in accordance with section 13-2819,  
23 shall be deemed to be unconsolidated sanitary and improvement districts  
24 and shall continue to exist after approval of the formation of the  
25 municipal county except as provided in this section.

26 (b) When the proposed creation of a municipal county includes a  
27 merger or consolidation with a city of the metropolitan class, then such  
28 sanitary and improvement districts, whether created before, on, or after  
29 the effective date of this act, located outside of the urban service  
30 area, as defined in section 13-2809, shall remain unconsolidated except  
31 as provided in this section.

1           (2) An unconsolidated sanitary and improvement district shall have  
2 and retain its authority to levy property taxes, and the municipal county  
3 shall have no authority to levy property taxes on the lands within an  
4 unconsolidated sanitary and improvement district other than for bonded  
5 indebtedness incurred by the county prior to creation of the municipal  
6 county. The area of the unconsolidated sanitary and improvement district  
7 shall not be considered to be within the municipal county except as  
8 provided by law.

9           (3) Parcels of land which are contiguous to each other and are  
10 included within the municipal county, but not included in an  
11 unconsolidated municipality, may be included in a sanitary and  
12 improvement district with the approval of the council of the municipal  
13 county.

14           (4) Each unconsolidated sanitary and improvement district shall pay  
15 the municipal county for services that were previously provided by the  
16 county. The amount paid shall be equal to the attributable cost of county  
17 services times a ratio, the numerator of which is the total valuation of  
18 all unconsolidated sanitary and improvement districts that are within the  
19 boundaries of the municipal county and the denominator of which is the  
20 total valuation of the municipal county and all unconsolidated sanitary  
21 and improvement districts and unconsolidated municipalities that are  
22 within the boundaries of the municipal county, times a ratio the  
23 numerator of which is the valuation of the particular unconsolidated  
24 sanitary and improvement district and the denominator of which is the  
25 total valuation of all unconsolidated sanitary and improvement districts  
26 that are within the boundaries of the municipal county, except that the  
27 amount paid shall not exceed the total taxable valuation of the  
28 unconsolidated sanitary and improvement district times forty-five  
29 hundredths of one percent. Any disputes arising under this subsection  
30 shall be heard in the district court of such municipal county.

31           (5)(a) Except as provided in subdivision (5)(b) of this section,

1 ~~unless (5) Unless~~ the unconsolidated sanitary and improvement district is  
2 located wholly within the extraterritorial zoning jurisdiction of an  
3 unconsolidated municipality, an unconsolidated sanitary and improvement  
4 district shall be deemed to be within the zoning jurisdiction of the  
5 municipal county.

6 (b) Whenever the proposed creation of a municipal county involves  
7 the merger or consolidation of a county or counties and a city of the  
8 metropolitan class, an unconsolidated sanitary and improvement district  
9 shall be deemed to be within the zoning jurisdiction of the municipal  
10 county.

11 (6) Any municipal county sales and use tax that has been approved  
12 under section 13-2813 shall be imposed upon transactions within the  
13 entire municipal county, including all unconsolidated sanitary and  
14 improvement districts.

15 Sec. 12. Section 13-2819, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 13-2819 A municipal county may by ordinance cause any unconsolidated  
18 sanitary and improvement district located (1) within the extraterritorial  
19 zoning jurisdiction of an unconsolidated municipality with the consent of  
20 the governing body of the unconsolidated municipality, or (2) within any  
21 portion of the municipal county, to be consolidated, in whole or part,  
22 into the municipal county, and thereafter the municipal county shall  
23 succeed to the property and property rights of every kind, contracts,  
24 obligations, and choses in action of every kind, held by or belonging to  
25 the sanitary and improvement district, and the municipal county shall be  
26 liable for and recognize, assume, and carry out the valid contracts and  
27 obligations of the district. Any such consolidation, in whole or in part,  
28 shall be accomplished by the municipal county and the sanitary and  
29 improvement district in accordance with sections 31-763 to 31-766, and  
30 other applicable law, as if the municipal county were a city and the  
31 consolidation were an annexation or partial annexation. Whenever the

1 municipal county involves the merger or consolidation of a county or  
2 counties and a city of the metropolitan class, an unconsolidated sanitary  
3 and improvement district shall be deemed consolidated, under sections  
4 31-763 to 31-766 and other applicable law, when the urban service area is  
5 extended to include such district as if the municipal county were a city  
6 and the consolidation were an annexation or partial annexation.

7       Sec. 13. Section 66-1859, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9       66-1859 Sections 66-1858 to 66-1864 shall be applicable to a  
10 jurisdictional utility only when it is operating in a county in which  
11 there is located the natural gas service area, or portion of the natural  
12 gas service area, of a metropolitan utilities district and only with  
13 regard to matters arising within any such county. ~~Within the limits of a~~  
14 ~~municipal county, the provisions of sections 66-1858 to 66-1864 shall be~~  
15 ~~applicable to the extent and in the manner provided by the Legislature as~~  
16 ~~required by section 13-2802.~~

17       Sec. 14. Original sections 13-2801, 13-2802, 13-2803, 13-2804,  
18 13-2805, 13-2806, 13-2810, 13-2813, 13-2818, 13-2819, and 66-1859,  
19 Reissue Revised Statutes of Nebraska, and sections 13-520 and 13-2809,  
20 Revised Statutes Cumulative Supplement, 2020, are repealed.