

# STATE OF NEW YORK

1058

2021-2022 Regular Sessions

## IN SENATE

January 6, 2021

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to communications union districts

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new article 12 to read as follows:

### ARTICLE 12

#### COMMUNICATIONS UNION DISTRICTS

##### Section 250. Definitions.

251. Formation.

252. District composition.

253. Creation; duration; noncontestability.

254. District powers.

255. Communications plant; sites.

256. Limitations; taxes; indebtedness.

257. Board authority.

258. Board composition.

259. Appointment.

260. Organizational meeting.

261. Quorum.

262. Voting.

263. Term.

264. Vacancy.

265. Compensation of representatives.

266. Officers; bond.

267. Clerk.

268. Treasurer.

269. Audit.

270. Committees.

271. Compensation of officers.

272. Recall of officers.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1       273. Fiscal year.

2       274. Budget.

3       275. Indebtedness.

4       276. Pledge of revenues

5       277. Sinking and reserve funds.

6       278. Service fees.

7       279. Special meetings.

8       280. Withdrawal of a member municipality.

9       281. Admission of district members.

10       282. Dissolution.

11       § 250. Definitions. As used in this article, the following terms shall  
12 have the following meanings:

13       1. "Communications plant" means any and all parts of any communi-  
14 cations system owned by a district, whether using wires, cables, fiber  
15 optics, wireless, other technologies, or a combination thereof, and used  
16 for the purpose of transporting or storing information, in whatever  
17 forms, directions, and media, together with any improvements thereto  
18 constructed or acquired, and all other facilities, equipment, and  
19 appurtenances necessary or appropriate to such system. The term "commu-  
20 nications plant" and any regulatory implications or any restrictions  
21 under this article regarding a "communications plant" shall not apply to  
22 facilities or portions of any communications facilities intended for use  
23 by, and solely used by, a district member and its own officers and  
24 employees in the operation of municipal departments or systems of which  
25 such communications are merely an ancillary component.

26       2. "Communications plant improvements" shall mean improvements that  
27 may be used for the benefit of the public, whether or not publicly owned  
28 or operated.

29       3. "Communications union district" or "district" means a collection of  
30 two or more contiguous municipalities or communities that agree to  
31 jointly operate a communications plant to all residents of such munici-  
32 palities, as provided under this article.

33       4. "District member" or "member" means a municipality that elects to  
34 form or join a communications union district under this article.

35       5. "Governing board" or "board" means the governing board of the  
36 communications union district as established under this article.

37       6. "Long-term contract" means an agreement in which a district incurs  
38 direct or conditional obligations for which the costs are too great to  
39 be paid out of the ordinary annual income and revenues of such district,  
40 in the judgment of the board.

41       7. "Municipality" means any county, city, town, or village.

42       § 251. Formation. 1. Any two or more contiguous municipalities in this  
43 state shall be permitted to form a communications union district for the  
44 delivery of communications services and the operation of a communi-  
45 cations plant, which district shall be a body politic and corporate.

46       2. A municipality electing to form a district under this article shall  
47 submit to the eligible voters of such municipality at an annual or  
48 special meeting a proposition in substantially the following form:

49       "Shall the (town/village/city) of (name of municipality) enter into a  
50 communications union district to be known as (name of proposed  
51 district), under the provisions of article 12 of the public service  
52 law?".

53       3. Additional municipalities may be admitted to the district in the  
54 manner provided in section two hundred eighty-one of this article.

55       § 252. District composition. A district formed under this article  
56 shall be composed of and include all lands and residents within its

1 member municipalities, and any other municipality subsequently admitted  
2 to such district as provided in this article, except for any munici-  
3 palties that withdraw as provided in this article. Registered voters  
4 in each member municipality shall be eligible to vote in all district  
5 meetings, but only district member representatives shall be eligible to  
6 vote in meetings of the district's governing board.

7 § 253. Creation; duration; noncontestability. 1. Following the organ-  
8 izational meeting held pursuant to section two hundred sixty of this  
9 article, a district's governing board shall cause to be filed with the  
10 state board of elections a certificate attesting to the vote conducted  
11 under subdivision two of section two hundred fifty-one of this article.

12 2. A district formed under this article shall continue as a body poli-  
13 tic and corporate unless and until dissolved according to the procedures  
14 set forth in this article.

15 3. An action shall not be brought directly or indirectly challenging,  
16 questioning, or in any manner contesting the legality of the formation,  
17 or the existence as a body corporate and politic of any communications  
18 union district created under this article after six months from the date  
19 of the recording in the state board of elections of the certificate  
20 required by subdivision one of this section. An action shall not be  
21 brought directly or indirectly challenging, questioning, or in any  
22 manner contesting the legality or validity of any bonds issued to defray  
23 costs of communications plant improvements approved by the board, after  
24 six months from the date upon which the board voted affirmatively to  
25 issue such bonds.

26 4. This section shall be liberally construed to serve the legislative  
27 purpose to validate and make certain the legal existence of all communi-  
28 cations union districts in this state and the validity of bonds issued  
29 or authorized for communications plant improvements, and to bar every  
30 remedy therefor notwithstanding any defects or irregularities, jurisdic-  
31 tional or otherwise, after expiration of the six-month period. The  
32 provisions of this subdivision and subdivision three of this section  
33 shall also apply to financial contracts directly related to the  
34 district's bonding authority.

35 5. To the extent a district constructs communications infrastructure  
36 with the intent of providing communications services, such district  
37 shall ensure that any and all losses from such services, or in the event  
38 such services are abandoned or curtailed, any and all costs associated  
39 with the investment in communications infrastructure, shall be not borne  
40 by the taxpayers of district members.

41 § 254. District powers. Subject to the limitations and restrictions  
42 set forth in section two hundred fifty-six of this article, a district  
43 created under this article shall have the power to:

44 1. operate, cause to be operated, or contract for the construction,  
45 ownership, management, financing, and operation of a communications  
46 plant for the delivery of communications services;

47 2. purchase, sell, lease, own, acquire, convey, mortgage, improve, and  
48 use real and personal property in connection with its purpose;

49 3. hire and fix the compensation and terms of employment of employees;

50 4. sue and be sued;

51 5. enter into contracts for any term or duration;

52 6. contract with architects, engineers, financial and legal consult-  
53 ants, and others for professional services;

54 7. contract with individuals, corporations, associations, authorities,  
55 and agencies for services and property, including the assumption of the  
56 liabilities and assets thereof;

1 8. provide communications services for its district members, including  
2 the residential and business locations located therein; and to provide  
3 communications services for such other residential and business  
4 locations as its facilities and obligations may allow, provided such  
5 other locations shall be in a municipality that is contiguous with the  
6 municipal limits of a district member;

7 9. contract with the state of New York, the United States, or any  
8 subdivision or agency thereof for services, assistance, or joint  
9 ventures;

10 10. contract with any municipality for the services of any officers or  
11 employees of such municipality;

12 11. promote cooperative arrangements and coordinated action among its  
13 members and other public and private entities;

14 12. make recommendations for review and action to its members and  
15 other public agencies which perform functions within the region in which  
16 its members are located;

17 13. exercise any other powers which are necessary or desirable for  
18 dealing with communications matters of mutual concern and that are exer-  
19 cised or are capable of exercise by any of its members;

20 14. enter into financing agreements authorized under law, or alterna-  
21 tive means of financing capital improvements and operations authorized  
22 under law;

23 15. establish a budget to provide for the funding thereof out of  
24 general revenue of the district;

25 16. appropriate and expend monies;

26 17. establish sinking and reserve funds for retiring and securing its  
27 obligations;

28 18. establish capital reserve funds and make appropriations thereto  
29 for communications plant improvements and the financing thereof;

30 19. enact and enforce any and all necessary or desirable bylaws for  
31 the orderly conduct of its affairs for carrying out its communications  
32 purpose and for protection of its communications property;

33 20. solicit, accept, and administer gifts, grants, and bequests in  
34 trust or otherwise for its purpose;

35 21. exercise all powers incident to a public corporation;

36 22. adopt a name under which it shall be known and shall conduct busi-  
37 ness; and

38 23. establish an effective date of its creation.

39 § 255. Communications plant; sites. Each member shall make available  
40 for lease to the district one or more sites for a communications plant  
41 or components thereof within such member municipality.

42 § 256. Limitations; taxes; indebtedness. 1. Notwithstanding any grant  
43 of authority in this article to the contrary, a district shall not  
44 accept funds generated by a member's taxing or assessment power.

45 2. Notwithstanding any grant of authority in this article to the  
46 contrary, a district shall not have the power to levy, assess, appor-  
47 tion, or collect any tax upon property within such district, nor upon  
48 any of its members, without specific authorization of the state legisla-  
49 ture.

50 3. Notwithstanding any grant of authority in this article to the  
51 contrary, every issue of a district's notes and bonds shall be payable  
52 only out of any revenues or monies of such district.

53 § 257. Board authority. The legislative power and authority of a  
54 district and the administration and the general supervision of all  
55 fiscal, prudential, and governmental affairs of such district shall be

1 vested in a legislative body known as the governing board, except as  
2 specifically provided otherwise in this article.

3 § 258. Board composition. A district governing board shall be composed  
4 of one representative from each member and one or more alternates to  
5 serve in the absence of such designated representative.

6 § 259. Appointment. Annually on or before the last Monday in April  
7 commencing in the year following the date of a district's creation, the  
8 legislative body of each member shall appoint a representative and one  
9 or more alternates to the governing board for one-year terms. Appoint-  
10 ments of representatives and alternates shall be in writing, signed by  
11 the chair of the legislative body of the appointing member, and  
12 presented to the clerk of the district. The legislative body of a  
13 member, by majority vote, may replace its appointed representative or  
14 alternate at any time and shall promptly notify the district clerk of  
15 such replacement.

16 § 260. Organizational meeting. Annually, on the second Tuesday in May  
17 following the appointments contemplated pursuant to section two hundred  
18 fifty-nine of this article, the board shall hold its organizational  
19 meeting. At such meeting, the board shall elect from among its appointed  
20 representatives a chair and a vice chair, each of whom shall hold office  
21 for one year and until his or her successor is duly elected.

22 § 261. Quorum. For the purpose of transacting business, the presence  
23 of delegates or alternates representing more than fifty percent of  
24 district members shall constitute a quorum. Notwithstanding such  
25 requirement, a smaller number may adjourn to another date. Any action  
26 adopted by a majority of the votes cast at a meeting of the board at  
27 which a quorum is present shall be the action of the board, except as  
28 otherwise provided in this article.

29 § 262. Voting. Each district member's delegation shall be entitled to  
30 cast one vote.

31 § 263. Term. Unless replaced in the manner provided in section two  
32 hundred fifty-nine of this article, a representative on a governing  
33 board shall hold office until his or her successor is duly appointed.  
34 Any representative or alternate may be reappointed to successive terms  
35 without limit.

36 § 264. Vacancy. Any vacancy on a board shall be filled within thirty  
37 days after such vacancy occurs by appointment by the authority which  
38 appointed the representative or alternate whose position has become  
39 vacant. An appointee to a vacancy shall serve until the expiration of  
40 the term of the representative or alternate to whose position the  
41 appointment was made and may thereafter be reappointed.

42 § 265. Compensation of representatives. Each district member may reim-  
43 burse its representative to the governing board for expenses as it  
44 determines reasonable, except as provided in section two hundred seven-  
45 ty-one of this article with respect to district officers.

46 § 266. Officers; bond. 1. The officers of a district shall be composed  
47 of the chair and the vice chair of the board, the clerk of the district,  
48 and the treasurer of the district. Prior to assuming their offices,  
49 officers may be required to post bond in such amounts as shall be deter-  
50 mined by resolution of the board. The cost of such bond shall be borne  
51 by the district.

52 2. The chair shall preside at all meetings of the board and shall make  
53 and sign all contracts on behalf of the district upon approval by the  
54 board. The chair shall perform all duties incident to the position and  
55 office as required by the laws of the state.



1     3. During the absence of or inability of the chair to render or  
2 perform his or her duties or exercise his or her powers, the same shall  
3 be performed and exercised by the vice chair and when so acting, the  
4 vice chair shall have all the powers and be subject to all the responsi-  
5 bilities hereby given to or imposed upon the chair.

6     4. During the absence or inability of the vice chair to render or  
7 perform his or her duties or exercise his or her powers, the board shall  
8 elect from among its membership an acting vice chair who shall have the  
9 powers and be subject to all the responsibilities given or imposed upon  
10 the vice chair by this article.

11     5. Upon the death, disability, resignation, or removal of the chair or  
12 vice chair, the board shall elect a successor to such vacant office  
13 until the next annual meeting.

14     § 267. Clerk. The clerk of a district shall be appointed by the board,  
15 and shall serve at its pleasure. The clerk shall not be required to be a  
16 member of the governing board. The clerk shall have the exclusive charge  
17 and custody of the records of the district and the seal of the district.  
18 The clerk shall record all votes and proceedings of the district,  
19 including district and board meetings, and shall prepare and cause to be  
20 posted and published all warnings of meetings of such meetings. Follow-  
21 ing approval by the board, the clerk shall cause the annual report to be  
22 distributed to the legislative bodies of the district members. The clerk  
23 shall prepare and distribute any other reports required by state law and  
24 resolutions or regulations of the board. The clerk shall perform all  
25 duties and functions incident to the office of secretary or clerk of a  
26 body corporate.

27     § 268. Treasurer. The treasurer of a district shall be appointed by  
28 the board, and shall serve at its pleasure. The treasurer shall not be a  
29 member of the governing board. The treasurer shall have the exclusive  
30 charge and custody of the funds of the district and shall be the  
31 disbursing officer of the district. When authorized by the board, the  
32 treasurer may sign, make, or endorse in the name of the district all  
33 checks and orders for the payment of money and pay out and disburse the  
34 same and receipt therefor. The treasurer shall keep a record of every  
35 obligation issued and contract entered into by the district and of every  
36 payment thereon. The treasurer shall keep correct books of account of  
37 all the business and transactions of the district and such other books  
38 and accounts as the board may require. The treasurer shall render a  
39 statement of the condition of the finances of the district at each regu-  
40 lar meeting of the board and at such other times as shall be required of  
41 the treasurer. The treasurer shall prepare the annual financial state-  
42 ment and the budget of the district for distribution, upon approval of  
43 the board, to the legislative bodies of district members. The treasurer  
44 shall do and perform all of the duties required for the office of treas-  
45 urer of a body politic and corporate. Upon removal or the treasurer's  
46 termination from office by virtue of removal or resignation, the treas-  
47 urer shall immediately pay over to his or her successor all of the funds  
48 belonging to the district and deliver to such successor all official  
49 books and papers.

50     § 269. Audit. Once a district becomes operational, the board shall  
51 cause an audit of the financial condition of the district to be  
52 performed annually by an independent professional accounting firm.

53     § 270. Committees. The board shall have authority to establish one or  
54 more committees and grant and delegate to such committees such powers as  
55 it deems necessary. Members of an executive committee shall serve stag-

1 gered terms and shall be board members. Membership on other committees  
2 established by the board shall not be restricted to board members.

3 § 271. Compensation of officers. Officers of a district shall be paid  
4 from district funds such compensation or reimbursement of expenses, or  
5 both, as determined by the board.

6 § 272. Recall of officers. An officer may be removed by a two-thirds  
7 vote of the board whenever, in its judgment, the best interest of the  
8 district shall be served by such removal.

9 § 273. Fiscal year. The fiscal year of a district shall commence on  
10 January first and end on December thirty-first of each year.

11 § 274. Budget. 1. Annually, on or before October twenty-first, a board  
12 shall approve and cause to be distributed to the legislative body of  
13 each district member for review and comment an annual report of its  
14 activities, together with a financial statement, a proposed district  
15 budget for the following fiscal year, and a forecast presenting antic-  
16 ipated year-end results. Such proposed budget shall include reasonably  
17 detailed estimates of:

- 18 (a) deficits and surpluses from prior fiscal years;
- 19 (b) anticipated expenditures for the administration of the district;
- 20 (c) anticipated expenditures for the operation and maintenance of any  
21 district communications plant;
- 22 (d) payments due on obligations, long-term contracts, leases, and  
23 financing agreements;
- 24 (e) payments due to any sinking funds for the retirement of district  
25 obligations;
- 26 (f) payments due to any capital or financing reserve funds;
- 27 (g) anticipated revenues from all sources; and
- 28 (h) such other estimates as the board deems necessary to accomplish  
29 its purpose.

30 2. A board shall hold a public hearing on or before November fifteenth  
31 of each year to receive comments from the legislative bodies of district  
32 members and hear all other interested persons regarding the proposed  
33 budget. Notice of such hearing shall be given to the legislative bodies  
34 of district members at least fifteen days prior to such hearing. The  
35 board shall give consideration to all comments received and make such  
36 changes to the proposed budget as it deems beneficial.

37 3. Annually, on or before December fifteenth, a board shall adopt the  
38 budget and appropriate the sums it deems necessary to meet its obli-  
39 gations and operate and carry out the district's functions for the  
40 following fiscal year.

41 4. Actions or resolutions of a board for the annual appropriations of  
42 any year shall not cease to be operative at the end of the fiscal year  
43 for which they were adopted. Appropriations made by the board for the  
44 various estimates of the budget shall be expended only for such esti-  
45 mates, but by majority vote of the board the budget may be amended from  
46 time to time to transfer funds between or among such estimates. Any  
47 balance left or unencumbered in any such budget estimate, or the amount  
48 of any deficit at the end of the fiscal year, shall be included in and  
49 paid out of the operating budget and appropriations in the following  
50 fiscal year. All such budget amendments shall be reported by the  
51 district treasurer to the legislative bodies of each district member  
52 within fourteen days of the end of the fiscal year.

53 5. Financial statements and audit results shall be delivered to the  
54 legislative bodies of each district member within ten days of delivery  
55 to the board.

1     § 275. Indebtedness. A board may borrow money through the issuance of  
2 notes of its district for the purpose of paying current expenses of such  
3 district. Such notes shall mature within one year, and may be refunded  
4 in the manner provided by law, and shall be payable solely from the  
5 district's operating revenues. The governing board may borrow money in  
6 anticipation of the receipt of grants-in-aid from any source and any  
7 revenues. Such notes shall mature within one year, but may be renewed  
8 as otherwise provided by law.

9     § 276. Pledge of revenues. 1. When a board, at a regular or special  
10 meeting called for such purpose, determines by resolution passed by a  
11 vote of a majority of members present and voting that the public inter-  
12 est or necessity demands communications plant improvements, or a long-  
13 term contract, and that the cost of such improvements or long-term  
14 contract will be too great to be paid out of the ordinary annual income  
15 and revenue of the district, the board may pledge communications plant  
16 net revenues and enter into long-term contracts to provide for such  
17 improvements.

18     2. The pledge of communications plant net revenues, and other obli-  
19 gations allowed by law, may be authorized for any purpose permitted by  
20 this article, or any other applicable law.

21     § 277. Sinking and reserve funds. 1. A board may establish and provide  
22 for sinking and reserve funds, however denominated, for the retirement  
23 and security of pledges of communications plant net revenue, or for  
24 long-term contracts. When established, such funds shall be kept intact  
25 and separate from other monies at the disposal of the district, and  
26 shall be accounted for as a pledged asset for the purpose of retiring or  
27 securing such obligations or contracts. The cost of payments to any  
28 sinking or reserve fund shall be included in the annual budget of the  
29 district.

30     2. A board shall establish and provide for a capital reserve fund to  
31 pay for communications plant improvements, replacement of worn out  
32 buildings and equipment, and planned and unplanned major repairs in  
33 furtherance of the purpose for which the district was created. Any such  
34 capital reserve fund shall be kept in a separate account and invested as  
35 are other public funds and shall be expended for such purposes for which  
36 established. The cost of payments to any capital reserve fund shall be  
37 included in the annual budget of the district.

38     § 278. Service fees. A board may from time to time establish and  
39 adjust service, subscription, access, and utility fees for the purpose  
40 of generating revenues from the operation of its communications plant.

41     § 279. Special meetings. 1. A board may call a special meeting of the  
42 district when it deems it necessary or prudent to do so and shall call a  
43 special meeting of the district when action by the voters is necessary  
44 under this article. The board shall call a special meeting upon receipt  
45 of a petition signed by at least five percent of the registered voters  
46 within its district, or upon request of at least twenty-five percent of  
47 district members evidenced by formal resolutions of the legislative  
48 bodies of such members or by petitions signed by at least five percent  
49 of the member's registered voters. The board may rescind the call of a  
50 special meeting called by it but not a special meeting called as  
51 provided in this subdivision. The board may schedule the date of such  
52 special meetings to coincide with the date of annual municipal meetings,  
53 primary elections, general elections, or similar meetings when the elec-  
54 torate within the district members will be voting on other matters.

55     2. At any special meeting of a district, voters of each district  
56 member shall cast their ballots at such polling places within the muni-



1 cipality of their residence as shall be determined by the board of the  
2 district in cooperation with the board of elections of each district  
3 member.

4 3. Not less than three nor more than fourteen days prior to any  
5 special meeting, at least one public hearing shall be held by the board  
6 at which time the issues under consideration shall be presented and  
7 comments received. Notice of such public hearing shall include the  
8 publication of a warning in a newspaper of general circulation in the  
9 district at least once a week, on the same day of the week, for three  
10 consecutive weeks, the last such publication not less than five nor more  
11 than ten days before the public hearing. Such notice may be included in  
12 the warning called for in subdivision four of this section.

13 4. The board shall provide notice of a special meeting by filing a  
14 notice with the clerk of each district member and by posting a notice in  
15 at least five public places in each municipality in the district not  
16 less than thirty nor more than forty days before such meeting. In addi-  
17 tion, such notice shall be published in a newspaper of general circu-  
18 lation in the district once a week on the same day of the week for three  
19 consecutive weeks before such meeting, the last such publication to be  
20 not less than five nor more than ten days before such meeting.

21 5. The original notice of any special meeting of the district shall be  
22 signed by a majority of the board and shall be filed with the clerk  
23 before being posted.

24 6. The posted and published notices for special meetings under this  
25 section shall include the date, time, place, and nature of the meeting.  
26 Such notices shall, by separate articles, specifically indicate the  
27 business to be transacted and the questions to be voted upon at such  
28 meeting.

29 7. All legal voters of a district's members shall be legal voters of  
30 such district. The district members shall post and revise checklists in  
31 the same manner as for municipal meetings prior to any district meeting  
32 at which there will be voting.

33 § 280. Withdrawal of a member municipality. A district member may  
34 withdraw from its district upon the following terms and conditions:

35 1. Prior to such district pledging communications plant net revenues,  
36 or entering into a long-term contract, or contract subject to annual  
37 appropriation, a district member may vote to withdraw in the same manner  
38 as the vote for admission to the district. If a majority of the voters  
39 of a district member present and voting at a meeting for such purpose  
40 votes to withdraw from the district, the vote shall be certified by the  
41 clerk of such municipality and presented to the board. Following the  
42 presentation of such vote to the board, the board shall give notice to  
43 the remaining district members of such vote to withdraw and shall hold a  
44 meeting to determine if it is in the best interest of such district to  
45 continue to exist. Representatives of the district members shall be  
46 given an opportunity to be heard at such meeting together with any other  
47 interested persons. After such a meeting, the board may declare the  
48 district dissolved or it may declare that the district shall continue to  
49 exist despite the withdrawal of such member. The membership of the with-  
50 drawing municipality shall terminate after the vote to withdraw.

51 2. After such district has pledged communications plant net revenues,  
52 or entered into a long-term contract or contract subject to annual  
53 appropriations, a district member may vote to withdraw in the same  
54 manner as the vote for admission to such district.

55 § 281. Admission of district members. A board may authorize the inclu-  
56 sion of additional district members in the communications union district

1 upon such terms and conditions as it in its sole discretion shall deem  
2 to be fair, reasonable, and in the best interest of such district. The  
3 legislative body of any nonmember municipality which desires to be  
4 admitted to such district shall make application for admission to the  
5 board. The board shall determine the financial, economic, governance,  
6 and operational effects that are likely to occur if such municipality is  
7 admitted and thereafter either grant or deny authority for admission of  
8 such petitioning municipality. If the board grants such authority, it  
9 shall also specify any terms and conditions, including financial obli-  
10 gations, upon which such admission is predicated. Upon resolution of the  
11 board, such applicant municipality shall become a district member.

12 § 282. Dissolution. 1. If a board by resolution approved by two-thirds  
13 of all the votes entitled to be cast determines that it is in the best  
14 interests of the public, the district members, and the district that  
15 such district be dissolved, and if such district then has no outstanding  
16 obligations under pledges of communications plant net revenue, long-term  
17 contracts, or contracts subject to annual appropriation, or will have no  
18 such debt or obligation upon completion of the plan of dissolution, it  
19 shall prepare a plan of dissolution and adopt a resolution directing  
20 that the question of such dissolution and the plan of dissolution be  
21 submitted to the voters of such district at a special meeting, for which  
22 notice shall be duly provided for such purpose. If a majority of the  
23 voters of such district present and voting at such special meeting shall  
24 vote to dissolve such district and approve the plan of dissolution, such  
25 district shall cease to conduct its affairs except insofar as may be  
26 necessary for the winding up thereof. The board shall immediately cause  
27 a notice of the proposed dissolution to be mailed to each known creditor  
28 of such district and shall proceed to collect the assets of such  
29 district and apply and distribute them in accordance with the plan of  
30 dissolution.

31 2. The plan of dissolution shall:

32 (a) identify and value all unencumbered assets;

33 (b) identify and value all encumbered assets;

34 (c) identify all creditors and the nature or amount of all liabilities  
35 and obligations;

36 (d) identify all obligations under long-term contracts and contracts  
37 subject to annual appropriation;

38 (e) specify the means by which assets of such district shall be liqui-  
39 dated and all liabilities and obligations paid and discharged, or  
40 adequate provision made for the satisfaction thereof;

41 (f) specify the means by which any assets remaining after discharge of  
42 all liabilities shall be liquidated if necessary; and

43 (g) specify that any assets remaining after payment of all liabilities  
44 shall be apportioned and distributed among the district members accord-  
45 ing to a formula based upon population.

46 3. When the plan of dissolution has been implemented, the board shall  
47 adopt a resolution certifying such implementation to the district  
48 members, whereupon such district shall be terminated, and notice thereof  
49 shall be delivered to the temporary president of the senate and the  
50 speaker of the assembly in anticipation of confirmation of dissolution  
51 by the state legislature.

52 § 2. This act shall take effect on the first of January next succeed-  
53 ing the date on which it shall have become a law.