

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1042**

Introduced by Friesen, 34.

Read first time January 20, 2016

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to tax-increment financing; to amend sections  
2 18-2116 and 79-1016, Reissue Revised Statutes of Nebraska; to change  
3 Community Development Law provisions relating to approval of  
4 redevelopment plans involving tax-increment financing; to change  
5 provisions under the Tax Equity and Educational Opportunities  
6 Support Act relating to the taxable value certified by county  
7 assessors; and to repeal the original sections.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2116, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 18-2116 (1) Following such hearing, the governing body may approve a  
4 redevelopment plan if (a) it finds that the plan is feasible and in  
5 conformity with the general plan for the development of the city as a  
6 whole and the plan is in conformity with the legislative declarations and  
7 determinations set forth in the Community Development Law and (b) it  
8 finds that, if the plan uses funds authorized in section 18-2147, (i) the  
9 redevelopment project in the plan would not be economically feasible  
10 without the use of tax-increment financing, (ii) the redevelopment  
11 project would not occur in the community redevelopment area without the  
12 use of tax-increment financing, and (iii) the costs and benefits of the  
13 redevelopment project, including costs and benefits to other affected  
14 political subdivisions, the economy of the community, and the demand for  
15 public and private services have been analyzed by the governing body and  
16 have been found to be in the long-term best interest of the community  
17 impacted by the redevelopment project.

18 (2) In connection with the approval of any redevelopment plan which  
19 includes the use of tax-increment financing as authorized in section  
20 18-2147, the governing body may approve the redevelopment plan if such  
21 plan has been approved by the county board of equalization of the county  
22 that would be directly affected by the tax-increment financing. The  
23 county board of equalization may approve such plan if it meets all  
24 statutory requirements for tax-increment financing imposed under the  
25 Community Development Law.

26 (3 2) In connection with the approval of any redevelopment plan  
27 which includes the designation of an enhanced employment area, the  
28 governing body may approve the redevelopment plan if it determines that  
29 any new investment within such enhanced employment area will result in at  
30 least (a) two new employees and new investment of one hundred twenty-five  
31 thousand dollars in counties with fewer than fifteen thousand

1 inhabitants, (b) five new employees and new investment of two hundred  
2 fifty thousand dollars in counties with at least fifteen thousand  
3 inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new  
4 employees and new investment of five hundred thousand dollars in counties  
5 with at least twenty-five thousand inhabitants but fewer than fifty  
6 thousand inhabitants, (d) fifteen new employees and new investment of one  
7 million dollars in counties with at least fifty thousand inhabitants but  
8 fewer than one hundred thousand inhabitants, (e) twenty new employees and  
9 new investment of one million five hundred thousand dollars in counties  
10 with at least one hundred thousand inhabitants but fewer than two hundred  
11 thousand inhabitants, (f) twenty-five new employees and new investment of  
12 two million dollars in counties with at least two hundred thousand  
13 inhabitants but fewer than four hundred thousand inhabitants, or (g)  
14 thirty new employees and new investment of three million dollars in  
15 counties with at least four hundred thousand inhabitants. Any business  
16 that has one hundred thirty-five thousand square feet or more and annual  
17 gross sales of ten million dollars or more shall provide an employer-  
18 provided health benefit of at least three thousand dollars annually to  
19 all new employees who are working thirty hours per week or more on  
20 average and have been employed at least six months. In making such  
21 determination, the governing body may rely upon written undertakings  
22 provided by any redeveloper in connection with application for approval  
23 of the redevelopment plan.

24       Sec. 2. Section 79-1016, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26       79-1016 (1) On or before August 25, the county assessor shall  
27 certify to the Property Tax Administrator the total taxable value by  
28 school district in the county for the current assessment year on forms  
29 prescribed by the Tax Commissioner. The county assessor shall include in  
30 such certification the current assessed valuation of any taxable real  
31 property which is having its property taxes divided under section 18-2147

1 rather than such property's redevelopment project valuation as defined in  
2 section 18-2103. The county assessor may amend the filing for changes  
3 made to the taxable valuation of the school district in the county if  
4 corrections or errors on the original certification are discovered.  
5 Amendments shall be certified to the Property Tax Administrator on or  
6 before September 30.

7 (2) On or before October 10, the Property Tax Administrator shall  
8 compute and certify to the State Department of Education the adjusted  
9 valuation for the current assessment year for each class of property in  
10 each school district and each local system. The adjusted valuation of  
11 property for each school district and each local system, for purposes of  
12 determining state aid pursuant to the Tax Equity and Educational  
13 Opportunities Support Act, shall reflect as nearly as possible state aid  
14 value as defined in subsection (3) of this section. The Property Tax  
15 Administrator shall notify each school district and each local system of  
16 its adjusted valuation for the current assessment year by class of  
17 property on or before October 10. Establishment of the adjusted valuation  
18 shall be based on the taxable value certified by the county assessor for  
19 each school district in the county adjusted by the determination of the  
20 level of value for each school district from an analysis of the  
21 comprehensive assessment ratio study or other studies developed by the  
22 Property Tax Administrator, in compliance with professionally accepted  
23 mass appraisal techniques, as required by section 77-1327. The Tax  
24 Commissioner shall adopt and promulgate rules and regulations setting  
25 forth standards for the determination of level of value for state aid  
26 purposes.

27 (3) For purposes of this section, state aid value means:

28 (a) For real property other than agricultural and horticultural  
29 land, ninety-six percent of actual value;

30 (b) For agricultural and horticultural land, seventy-two percent of  
31 actual value as provided in sections 77-1359 to 77-1363. For agricultural

1 and horticultural land that receives special valuation pursuant to  
2 section 77-1344, seventy-two percent of special valuation as defined in  
3 section 77-1343; and

4 (c) For personal property, the net book value as defined in section  
5 77-120.

6 (4) On or before November 10, any local system may file with the Tax  
7 Commissioner written objections to the adjusted valuations prepared by  
8 the Property Tax Administrator, stating the reasons why such adjusted  
9 valuations are not the valuations required by subsection (3) of this  
10 section. The Tax Commissioner shall fix a time for a hearing. Either  
11 party shall be permitted to introduce any evidence in reference thereto.  
12 On or before January 1, the Tax Commissioner shall enter a written order  
13 modifying or declining to modify, in whole or in part, the adjusted  
14 valuations and shall certify the order to the State Department of  
15 Education. Modification by the Tax Commissioner shall be based upon the  
16 evidence introduced at hearing and shall not be limited to the  
17 modification requested in the written objections or at hearing. A copy of  
18 the written order shall be mailed to the local system within seven days  
19 after the date of the order. The written order of the Tax Commissioner  
20 may be appealed within thirty days after the date of the order to the Tax  
21 Equalization and Review Commission in accordance with section 77-5013.

22 (5) On or before November 10, any local system or county official  
23 may file with the Tax Commissioner a written request for a nonappealable  
24 correction of the adjusted valuation due to clerical error as defined in  
25 section 77-128 or, for agricultural and horticultural land, assessed  
26 value changes by reason of land qualified or disqualified for special use  
27 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the  
28 following January 1, the Tax Commissioner shall approve or deny the  
29 request and, if approved, certify the corrected adjusted valuations  
30 resulting from such action to the State Department of Education.

31 (6) On or before May 31 of the year following the certification of

1 adjusted valuation pursuant to subsection (2) of this section, any local  
2 system or county official may file with the Tax Commissioner a written  
3 request for a nonappealable correction of the adjusted valuation due to  
4 changes to the tax list that change the assessed value of taxable  
5 property. Upon the filing of the written request, the Tax Commissioner  
6 shall require the county assessor to recertify the taxable valuation by  
7 school district in the county on forms prescribed by the Tax  
8 Commissioner. The recertified valuation shall be the valuation that was  
9 certified on the tax list, pursuant to section 77-1613, increased or  
10 decreased by changes to the tax list that change the assessed value of  
11 taxable property in the school district in the county in the prior  
12 assessment year. On or before the following July 31, the Tax Commissioner  
13 shall approve or deny the request and, if approved, certify the corrected  
14 adjusted valuations resulting from such action to the State Department of  
15 Education.

16 (7) No injunction shall be granted restraining the distribution of  
17 state aid based upon the adjusted valuations pursuant to this section.

18 (8) A school district whose state aid is to be calculated pursuant  
19 to subsection (5) of this section and whose state aid payment is  
20 postponed as a result of failure to calculate state aid pursuant to such  
21 subsection may apply to the state board for lump-sum payment of such  
22 postponed state aid. Such application may be for any amount up to one  
23 hundred percent of the postponed state aid. The state board may grant the  
24 entire amount applied for or any portion of such amount. The state board  
25 shall notify the Director of Administrative Services of the amount of  
26 funds to be paid in a lump sum and the reduced amount of the monthly  
27 payments. The Director of Administrative Services shall, at the time of  
28 the next state aid payment made pursuant to section 79-1022, draw a  
29 warrant for the lump-sum amount from appropriated funds and forward such  
30 warrant to the district.

31 Sec. 3. Original sections 18-2116 and 79-1016, Reissue Revised

1 Statutes of Nebraska, are repealed.