



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 461

Hearing Date: March 1, 2005
Committee On: Urban Affairs

Introducer(s): (Kremer, Aguilar, McDonald)
Title: Authorize annexation of redevelopment project areas as prescribed

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

5	Yes	Friend, Combs, Cornett, Janssen, Landis
	No	
1	Present, not voting	Connealy
1	Absent	Schimek

Proponents:

Senator Bob Kremer, Introducer
 Gary Hedman
 Dennis Hall
 Kristen Gottschalk
 Gary Warren
 Marlan Ferguson
 Tom Sandberg
 Lance Hedquist
 Linda Black
 Cindy Johnson

Representing:

Southern Public Power District
 NE Public Power District
 NE Rural Electric Asso.
 Nebraska State Chamber
 Grand Island Area Ener. Dev. Corp.
 Axtell Community School
 City of South Sioux City
 Phelps County Development Corp.
 Grand Island Chamber of Commerce

Opponents:

Greg Baxter
 Chris Dibbern
 Peter Kortum
 Lynn Rex
 Margaret Landis

Representing:

T & E Cattle Co.
 NE Municipal Power Pool
 Grand Island Public Schools
 League of NE Municipalities
 Landowner

Neutral:

Bill Mowinkel
 Senator Ray Aguilar

Representing:

Northwest High School
 Grand Island Senator

Summary of purpose and/or changes: This bill deals with the annexation authority of first class cities, proposing to authorize non-contiguous annexation for purposes of community redevelopment financing (the exercise of tax increment financing). It is applicable only to first class cities (although it deals with authority currently extended to second class cities and villages).

This legislation proposes to extend to first class cities the same authority to exercise “skip” annexation or non-contiguous annexation which was granted in 1987 to second class cities and villages by LB 875 (adopted in 1997). LB 875 was a major proposal adopted to reform the Community Development Law as it relates to tax increment financing.

In all major aspects, this bill mirrors the provisions adopted in 1997 regarding second class cities and villages.

It would authorize first class cities to annex property which is not (a) contiguous to existing city boundaries or (b) urban or suburban in character, if the land being annexed would constitute a redevelopment project area (so designated by the city according to the provisions of the Community Development Law) and if the annexation was for the purpose of implementing a lawfully adopted tax increment financing scheme. In other words, it would authorize the annexation if the only legal impediment to the use of tax increment financing under the Community Development Law was the fact that the project was not located within the boundaries of the city.

The project would have to involve the construction or development of an agricultural processing facility (involving the investment of more than one million dollars from nongovernmental sources with more than eighty percent of sales from the facility being to other than the ultimate consumer of the processed commodities).

The annexation under of this property (located remotely from existing corporate boundaries) would not extend the extraterritorial jurisdiction of the city.

The annexation would not result in any change in the service area of an electric utility.

The annexation would not affect any existing class three school district boundaries (as clarified in amendments to section 79-407).

The annexed facility (in the project area being annexed) could negotiate with the city for the city to provide regular city services to the annexed area, but the city would not be obligated by statute to provide those services in the normal course of business.

The legislation has the emergency clause.

Explanation of amendments, if any:

Senator Mike Friend, Chairperson