

URBAN AFFAIRS COMMITTEE INTERIM STUDY HEARING

September 25, 2015

**LR155 (Urban Affairs Committee) Interim
study to examine current and potential
economic development tools available to
municipalities in Nebraska**



**Prepared by the
League of Nebraska Municipalities**

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SUMMARY OF ECONOMIC DEVELOPMENT LAWS AFFECTING MUNICIPALITIES

Cities and villages are essential players in Nebraska's economic development. Although the state constitution places limits on municipal expenditures for economic development, the Legislature has enacted laws that give cities and villages authority to act within these constraints. The following is a list of some of the major legislation recently enacted.

Municipal Publicity Act [§§13-315 & 13-316] [Tab 3]

§13-315 authorizes municipalities and counties to expend public funds for publicity campaigns for economic development. The municipality or county cannot appropriate or expend more than four-tenths of one percent of the taxable valuation of the city, village, or county.

Public funds may be used for “encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign, including a publicity campaign conducted for the purpose of acquiring from any source a municipal electrical distribution system or exploiting and advertising the various agricultural, horticultural, manufacturing, commercial, and other resources, including utility services, of the city, village, or county.”

The public funds may be expended directly by the city, village, or county or may be paid to the chamber of commerce or other commercial organization or a similar county organization or multicounty organization or local development corporation to be expended for the purposes enumerated in this section under the direction of the board of directors of the organization.

In *Chase v. Douglas County*, 195 Neb. 838, 241 N.W.2d 334 (1976), the Nebraska Supreme Court said that under the Constitution of Nebraska, any loan of credit made by the state, by a county, or by a municipality for a private individual, association, or corporation is unconstitutional. Therefore, using public funds to benefit a private corporation or individual for economic development purposes is unconstitutional. The Court also said, however, that the general encouragement of growth and industry through such devices as publicity and advertising are public purposes. This could include entertainment of public guests, encouraging immigration, exhibition of products, and printing and distribution of pamphlets advertising the city and expenditures through a board of city development to promote 'growth, advertisement, development, improvement and increase of the taxable values of said city.

Local Option Municipal Economic Development Act [§§ 18-2701 to 18-2738] [Nebr. Constitution, Art. XIII, Sec. 2] (Laws 1991, LB 840) [Tab 4]

The Local Option Municipal Economic Development Act (referred to as “LB 840”) authorizes cities and villages to use local sources of revenue to make grants and loans to qualifying businesses for economic development purposes. An economic development program created under the Act by the municipal governing body must be approved by the voters of the city or village.

An economic development program may include (1) direct loans or grants to qualifying businesses (2) loan guarantees; (3) grants for public works improvements to support a qualifying business; (4) grants or loans for job training for qualifying businesses; (5) the purchase of real estate, options for such purchases, and the renewal or extension of such options; (6) the issuance of bonds; and (7) payments for salaries and support of city staff to implement the economic development program or the contracting of such to an outside entity. For cities of the first and second class and villages, an economic development program may also include grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

Qualifying businesses are private entities that derive their principal source of income from the manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities, including services providing advanced telecommunications capability; or tourism-related activities.

Qualifying business also includes a business that derives its principal source of income from retail trade, except that the amount used for retail is limited by statute. In cities with a population of 2,500 inhabitants or less, a business may qualify even though it derives its principal source of income from activities other than those listed.

Before adopting an economic development program, a city is required to submit the question of its adoption to the registered voters at an election. If a majority of those voting on the issue vote in favor of the question, the governing body may implement the economic development program.

Community Development Law; Tax Increment Financing [§§ 18-2101 to 18-2144] [Nebr. Constitution Art. VIII, Sec. 12] [Tab 6]

The Community Development Law authorizes cities and villages to redevelop property in blighted and substandard areas. This is done through tax increment financing (TIF) where the

increased property taxes generated by the improvement of property in blighted and substandard areas is used to pay for the financing of the project.

The city or Community Redevelopment Authority declares an area as blighted and substandard and prepares a redevelopment plan. After a project or plan is approved, TIF bonds may be issued, which are used for acquisition and clearance of redevelopment property and for public improvements. The site or land is transferred to the developer at its fair value for development and construction in accordance with the redevelopment plan. Any increase in property taxes resulting from an increase in the property's value is used to pay off the financing for the redevelopment. The financing cannot exceed 15 years.

Enhanced Employment Areas – Occupation Tax [Amendment to the Community Development Law] (§§ 18-2142.02 to 18-2142.04) [Tab 7]

LB 562 (2007) amended the Community Development Law to provide an additional financing option for infrastructure and other improvements to encourage development and redevelopment in “Enhanced Employment Areas.”

The law allows a developer to enter into an agreement with municipalities to develop property within an “enhanced employment area” defined by the municipality. An occupation tax would be imposed only on those businesses within the “enhanced employment area” as defined in the bill and agreed to by both the municipality and the developer.

Revenues generated by the occupation tax would be pledged to pay off revenue bonds issued by the municipality to finance the same types of improvements within a community redevelopment area as defined in the bill. If an “enhanced employment area” is not within a community redevelopment area, i.e., does not meet the test of being substandard and blighted, then the revenue generated from such a limited occupation tax could be used to pay off bonds issued by the municipality for infrastructure such as streets, roads, sidewalks, etc. The new financing option with a limited occupation tax as defined in the law could be used separately or in addition to tax increment financing when the “enhanced employment area” is within a community redevelopment area that is substandard and blighted as required.

The law expressly prohibits the use of eminent domain to acquire property that could be transferred to a private party in the “enhanced employment area.”

Nebraska Advantage Transformational Tourism and Redevelopment Act (§§ 77-1001 to 77-1035) [Tab 8]

The Nebraska Advantage Transformational Tourism and Redevelopment Act was enacted in 2010 to authorize municipalities to expend local option sales tax dollars as an incentive for economic development. The primary purpose of the Act is to give municipalities the authority to

rebate a portion of local sales tax dollars generated in a qualifying development to help offset some of the project development costs. Like an LB 840 program, voter approval would be required before a municipality could offer this incentive.

The act allows municipalities to enter into agreements with sponsors of tourism development or redevelopment projects.

The investment requirement for a tourism development project is as follows:

(A) Tier 1, \$50 million exclusive of land for a project located in a municipality within a county in which the net taxable sales in the preceding calendar year were at least \$900 million or a municipality within a county bordered by two counties in which the total net taxable sales in the preceding calendar year were at least \$900 million;

(B) Tier 2, \$30 million exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were at least \$200 million but less than \$900 million;

(C) Tier 3, \$20 million exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were at least \$100 million but less than \$200 million; and

(D) Tier 4, \$10 million exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were less than \$100 million.

For a redevelopment project, the Act requires a \$10 million investment and a net employment increase to the state threshold. In a municipality within a county in which the net taxable sales in the preceding calendar year were less than \$100 million, the requirements shall be investment in qualified property of at least \$7.5 million dollars and a net employment increase to the state. Net employment from the project shall be determined by comparing the impact of the project to the impact of not having the project. Agreements may be executed with regard to completed project applications.

The incentives in the Act may not be placed on the ballot by initiative petition. The decision to ask the voters to approve the rebate is made by the city council.

Article XIII, Section 2 of the Nebraska State Constitution, provides that the Legislature may authorize “any incorporated city or village, including cities operating under home rule charters, to appropriate from local sources of revenue such funds as may be deemed necessary for an economic or industrial development project or program subject to approval by a vote of a majority of the registered voters of such city or village voting upon the question.”

Convention Center Facility Financing Assistance Act [§§ 13-2601 to 13-2612] [Tab 9]

The Convention Center Facility Financing Assistance Act establishes a mechanism for convention center financing. 60 percent to 70 percent of state tax revenue received from nearby hotels attributable to the city building the convention center is used to help finance the convention center. “30% of attributable state revenue raised under the Act goes to the Civic and Community Center Financing Act for grants for civic and community centers in smaller cities.

The Act was amended in 2007 to provide a formula that more accurately reflects the actual additional state taxes generated by the facility. It was amended again in 2008 to include facilities that are both privately and publicly owned and to extend the reach of the turn-back assistance to publicly or privately owned associated hotels within 450 yards of an eligible facility.

Civic and Community Center Financing Act [§§ 13-2701 to 13-2710] [Tab 10]

The Civic and Community Center Financing Act provides grants to cities and villages to be used for the construction of new civic centers, renovation or expansion of existing civic and community centers (defined as the traditional center of the community), for the conversion, rehabilitation or reuse of historic buildings, for libraries, and for project planning.

The Fund is financed by proceeds from the Convention Center Facility Financing Assistance Act. 30 percent of the state sales tax collected under the Convention Center Facility Financing Assistance Act is placed into the Civic and Community Center Financing Fund.

Grants from the fund require a 50 percent match. The new law provides that the amount of match required from cash is reduced from 80 percent to 50 percent. Project planning is added to the list of factors to be considered by the Department of Economic Development (DED) when reviewing applications.

There is a limit on the amount of the grant based on the class of the municipality. The law increases the grant amount for the various classes of municipalities if the fund reaches \$2.5 million.

Sports Arena Facility Assistance Act [§§ 13-3101 to 1309] [Tab 12]

The Sports Arena Facility Financing Assistance Act, enacted in 2010, expands the “throwback sales tax” concept that was originally established in the Convention Center Facility Financing Assistance Act. The Sports Arena Facility Financing Assistance Act allows the construction of a publicly owned sports facility with a seating capacity of at least 3,000 but not more than 7,500.

The Act allows the new sports facilities to use sales tax generated within 600 yards of the facility to repay bonds used to finance the facility. Any increase in state sales tax revenue from retailers that existed 24 months before the completion of the facility could be used for the throwback provision. All state sales tax revenue collected by retailers that began operation up to 24 months

before, or 24 months after, the completion of the facility could be used for the throwback provision.

The amount of state assistance cannot exceed \$75 million or be paid out for more than 25 years. The amount appropriated to fund a facility for any one year after the 10th year cannot exceed the highest amount appropriated during any one year of the first 10 years.

A vote of the people is required to approve the bonds for the facility.

70 percent of the sales tax collected will go to the facility. 30 percent will go to the Civic and Community Center Financing Fund for grants to other municipalities.

The Act includes race tracks in the definition of eligible sports arena facility.

Industrial Development Bonds [§§ 13-1101 to 1110] [Tab 13]

§§ 13-1101 to 1110 allow municipalities and counties to issue industrial development bonds to acquire, finance and develop property to lease to manufacturing or industrial enterprises. Retail, non-manufacturing, commercial and service projects are not eligible. Bond proceeds may be used to: acquire land, construct new facilities, purchase and rehabilitate existing facilities, and purchase new machinery. The bonds are paid from the lease payments made by the manufacturing or industrial enterprise.

County Industrial Areas [§§ 13-1111 to 13-1120] [Tab 13]

In 1957, the Nebraska Legislature adopted legislation to allow counties to declare tracts land industrial areas to be reserved for the location of industry. This legislation was an early attempt at providing incentives for economic development. An industrial area could not be annexed into a municipality and therefore would not be subject to municipal taxes. In 1967, the law was amended to provide for municipal approval of the industrial area prior to the county board's designation. There was no termination date for an industrial area although, starting in 1980, a county board could review an area every two years to determine if the designation was still appropriate.

CONSTITUTIONAL PROVISIONS

VIII-12. Cities or villages; redevelopment project; substandard and blighted property; incur indebtedness; taxes; how treated. [Tax Increment Financing]

For the purpose of rehabilitating, acquiring, or redeveloping substandard and blighted property in a redevelopment project as determined by law, any city or village of the state may, notwithstanding any other provision in the Constitution, and without regard to charter limitations and restrictions, incur indebtedness, whether by bond, loans, notes, advance of money, or otherwise. Notwithstanding any other provision in the Constitution or a local charter, such cities or villages may also pledge for and apply to the payment of the principal, interest, and any premium on such indebtedness all taxes levied by all taxing bodies, which taxes shall be at such rate for a period not to exceed fifteen years, on the assessed valuation of the property in the project area portion of a designated blighted and substandard area that is in excess of the assessed valuation of such property for the year prior to such rehabilitation, acquisition, or redevelopment.

When such indebtedness and the interest thereon have been paid in full, such property thereafter shall be taxed as is other property in the respective taxing jurisdictions and such taxes applied as all other taxes of the respective taxing bodies.

Source: Neb. Const. art. VIII, sec. 12 (1978); Adopted 1978, Laws 1978, LB 469, sec. 1; Amended 1984, Laws 1984, LR 227, sec. 1; Amended 1988, Laws 1987, LR 11, sec. 1.

XIII-2. Industrial and economic development; powers of counties and municipalities.

Notwithstanding any other provision in the Constitution, the Legislature may authorize any county or incorporated city or village, including cities operating under home rule charters, to acquire, own, develop, and lease real and personal property suitable for use by manufacturing or industrial enterprises and to issue revenue bonds for the purpose of defraying the cost of acquiring and developing such property by construction, purchase, or otherwise. The Legislature may also authorize such county, city, or village to acquire, own, develop, and lease real and personal property suitable for use by enterprises as determined by law if such property is located in blighted areas as determined by law and to issue revenue bonds for the purpose of defraying the cost of acquiring and developing or financing such property by construction, purchase, or otherwise. Such bonds shall not become general obligation bonds of the governmental subdivision by which such bonds are issued. Any real or personal property acquired, owned, developed, or used by any such county, city, or village pursuant to this section shall be subject to taxation to the same extent as private property during the time it is leased to or held by private interests, notwithstanding the provisions of Article VIII, section 2, of the Constitution. The acquiring, owning, developing, and leasing of such property shall be deemed for a public purpose, but the governmental subdivision shall not have the right to acquire such property by condemnation. The principal of and interest on any bonds issued may be secured by a pledge of the lease and the revenue therefrom and by mortgage upon such property. No such governmental subdivision shall have the power to operate any such property as a business or in any manner except as the lessor thereof.

Notwithstanding any other provision in the Constitution, the Legislature may also authorize any incorporated city or village, including cities operating under home rule charters, to appropriate such funds as may be deemed necessary for an economic or industrial development project or program subject to approval by a vote of a majority of the registered voters of such city or village voting upon the question. Subject to such vote, funds may be derived from property tax, local option sales tax, or any other general tax levied by the city or village or generated from municipally owned utilities or grants, donations, or state and federal funds received by the city or village subject to any restrictions of the grantor, donor, or state or federal law.

Source: Neb. Const. art. XII, sec. 2 (1875); Transferred by Constitutional Convention, 1919-1920, art. XIII, sec. 2; Amended 1972, Laws 1971, LB 688, sec. 1; Amended 1982, Laws 1982, LB 634, sec. 1; Amended 1990, Laws 1990, LR 11, sec. 1; Amended 2010, Laws 2010, LR 297CA, sec. 1.

Annotations

1. Constitutionality

2. Prior law

3. Miscellaneous

1. Constitutionality

Provisions of section 18-1401 for expenditure of tax money and income from proprietary functions for purchase by a municipality or a county of property for industrial development violate the Constitution, but the provisions for expenditures for other purposes by a municipality or county itself or through private organizations are constitutional. *Chase v. County of Douglas*, 195 Neb. 838, 241 N.W.2d 334 (1976).

2. Prior law

The public buildings authorized by L.B. 1003, Eighty-second Legislature, First Session (sections 23-2601 to 23-2612), to be used exclusively for public purposes are not works of internal improvement within the meaning of this section. *Dwyer v. Omaha-Douglas Public Building Commission*, 188 Neb. 30, 195 N.W.2d 236 (1972).

Airport Authority Act did not violate this section. *Obitz v. Airport Authority of City of Red Cloud*, 181 Neb. 410, 149 N.W.2d 105 (1967).

Industrial Development Act of 1961 was sustained as constitutional under constitutional amendment notwithstanding this section. *State ex rel. Meyer v. County of Lancaster*, 173 Neb. 195, 113 N.W.2d 63 (1962).

Paving by city of second class is not work of internal improvement requiring submission to electors. *Wookey v. City of Alma*, 118 Neb. 158, 223 N.W. 953 (1929).

State roads are not works of internal improvement requiring election before donations thereto. *State v. Bone Creek Township*, 109 Neb. 202, 190 N.W. 586 (1922), rehearing denied 109 Neb. 208, 193 N.W. 767 (1923).

Donations can be made only to aid in works of internal improvement, and a system of waterworks is not a work of internal improvement. *Village of Grant v. Sherrill*, 71 Neb. 219, 98 N.W. 681 (1904).

Bridges built by county and wholly within it are not works of internal improvement. *DeClerq v. Hager*, 12 Neb. 185, 10 N.W. 697 (1881).

3. Miscellaneous

A request for injunction is a proper form in which to present the question of unlawful or improper exercise of the power of eminent domain, because the attempt to deprive a private citizen of an estate in his property, if successful, makes the resulting damage irreparable and legal remedies inadequate. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

The taking of substandard or blighted areas by a city for redevelopment and resale, in accordance with an approved redevelopment plan which is in conformity with a general plan for the municipality as a whole as provided for in these sections, is a proper public use for a municipality. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

This section does not prohibit a city from using the power of eminent domain to acquire and develop land for manufacturing and industrial sites. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

This section does not prohibit Legislature from authorizing the electors of a county to vote bonds for poor relief. *In re House Roll 284*, 31 Neb. 505, 48 N.W. 275 (1891).

MUNICIPAL PUBLICITY

13-315. Appropriation or expenditure; purposes; method; limitation.

The city commissioners or council of any city, the board of trustees of any village, and the county board of any county in the state shall have the power to appropriate or expend annually from the general funds or from revenue received from any proprietary functions of their respective political subdivision an amount not to exceed four-tenths of one percent of the taxable valuation of the city, village, or county for the purpose of encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign, including a publicity campaign conducted for the purpose of acquiring from any source a municipal electrical distribution system or exploiting and advertising the various agricultural, horticultural, manufacturing, commercial, and other resources, including utility services, of the city, village, or county. Such sum may be expended directly by the city, village, or county or may be paid to the chamber of commerce or other commercial organization or a similar county organization or multicounty organization or local development corporation to be expended for the purposes enumerated in this section under the direction of the board of directors of the organization. The total amount levied including the appropriation or expenditure made under this section shall not exceed the amount limited by law.

Source: Laws 1921, c. 187, § 1, p. 699; C.S.1922, § 4392; C.S.1929, § 18-1201; R.S.1943, § 18-1401; Laws 1969, c. 103, § 1, p. 478; Laws 1972, LB 1261, § 1; Laws 1979, LB 187, § 75; Laws 1980, LB 599, § 5; R.S.1943, (1983), § 18-1401; Laws 1991, LB 840, § 24; Laws 1992, LB 719A, § 30.

Annotations

- Provisions under this section for expenditure of tax money and income from proprietary functions for purchase by a municipality or a county of property for industrial development violate the Constitution, but the provisions of expenditures for other purposes by a municipality or county itself or through private organizations are constitutional. *Chase v. County of Douglas*, 195 Neb. 838, 241 N.W.2d 334 (1976).

13-316. Expenditure; inclusion in budget.

The amount to be expended for the ensuing year or biennial period shall be fixed at the time of making up the annual or biennial budget required by law, and the same shall be included in the budget.

Source: Laws 1921, c. 187, § 2, p. 700; C.S.1922, § 4393; C.S.1929, § 18-1202; R.S.1943, (1983), § 18-1402; Laws 2000, LB 1116, § 5.

LOCAL OPTION MUNICIPAL ECONOMIC DEVELOPMENT ACT (Laws 1991, LB 840)

18-2701. Act, how cited.

Sections 18-2701 to 18-2739 shall be known and may be cited as the Local Option Municipal Economic Development Act.

Source: Laws 1991, LB 840, § 1; Laws 1993, LB 732, § 16; Laws 1995, LB 207, § 1; Laws 2001, LB 827, § 9; Laws 2012, LB863, § 1.

18-2702. Legislative findings.

The Legislature finds that:

(1) There is a high degree of competition among states and municipalities in our nation in their efforts to provide incentives for businesses to expand or to locate in their respective jurisdictions;

(2) Municipalities in Nebraska are hampered in their efforts to effectively compete because of their inability under Nebraska law to respond quickly to opportunities or to raise sufficient capital from local sources to provide incentives for the provision of new services or business location or expansion decisions which are tailored to meet the needs of the local community;

(3) The ability of a municipality to encourage the provision of new services or business location and expansion has a direct impact not only upon the economic well-being of the community and its residents but upon the whole state as well; and

(4) There is a need to provide Nebraska municipalities with the opportunity of providing assistance to business enterprises in their communities, whether for expansion of existing operations, the creation of new businesses, or the provision of new services, by the use of funds raised by local taxation when the voters in the municipality determine that it is in the best interest of their community to do so.

Source: Laws 1991, LB 840, § 2; Laws 2001, LB 827, § 10.

18-2703. Definitions, where found.

For purposes of the Local Option Municipal Economic Development Act, the definitions found in sections 18-2703.01 to 18-2709 shall be used.

Source: Laws 1991, LB 840, § 4; Laws 2001, LB 827, § 11.

18-2703.01. Advanced telecommunications capability, defined.

Advanced telecommunications capability shall mean high-speed, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

Source: Laws 2001, LB 827, § 12.

18-2704. City, defined.

City shall mean any city of the metropolitan class, city of the primary class, city of the first class, city of the second class, or village, including any city operated under a home rule charter. City shall also include any group of two or more cities acting in concert under the terms of the Interlocal Cooperation Act or Joint Public Agency Act by means of a properly executed agreement.

Source: Laws 1991, LB 840, § 5; Laws 1999, LB 87, § 64.

Cross References

- **Interlocal Cooperation Act**, see section 13-801.
- **Joint Public Agency Act**, see section 13-2501.

18-2705. Economic development program, defined.

(1) Economic development program means any project or program utilizing funds derived from local sources of revenue for the purpose of providing direct or indirect financial assistance to a qualifying business or the payment of related costs and expenses or both, without regard to whether that business is identified at the time the project or program is initiated or is to be determined by specified means at some time in the future.

(2) An economic development program may include, but shall not be limited to, the following activities: Direct loans or grants to qualifying businesses for fixed assets or working capital or both; loan guarantees for qualifying businesses; grants for public works improvements which are essential to the location or expansion of, or the provision of new services by, a qualifying business; grants or loans to qualifying businesses for job training; the purchase of real estate, options for such purchases, and the renewal or extension of such options; grants or loans to qualifying businesses to provide relocation incentives for new residents; the issuance of bonds as provided for in the Local Option Municipal Economic Development Act; and payments for salaries and support of city staff to implement the economic development program or the contracting of such to an outside entity.

(3) For cities of the first and second class and villages, an economic development program may also include grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income.

(4) For cities of the first and second class and villages, an economic development program may also include grants, loans, or funds for rural infrastructure development as defined in section 66-2102.

(5) An economic development program may be conducted jointly by two or more cities after the approval of the program by the voters of each participating city.

Source: Laws 1991, LB 840, § 6; Laws 1993, LB 732, § 17; Laws 1995, LB 207, § 3; Laws 2001, LB 827, § 13; Laws 2012, LB1115, § 8; Laws 2013, LB295, § 1; Laws 2015, LB150, § 1.

18-2706. Election, defined.

Election shall mean any general election, primary election, or special election called by the city as provided by law.

Source: Laws 1991, LB 840, § 7.

18-2707. Financial institution, defined.

Financial institution shall mean a state or federally chartered bank, a capital stock state building and loan association, a capital stock federal savings and loan association, a capital stock federal savings bank, and a capital stock state savings bank.

Source: Laws 1991, LB 840, § 8; Laws 2003, LB 131, § 21.

18-2708. Local sources of revenue, defined.

Local sources of revenue means the city's property tax, the city's local option sales tax, or any other general tax levied by the city or generated from municipally owned utilities or grants, donations, or state and federal funds received by the city subject to any restrictions of the grantor, donor, or state or federal law. Funds generated from municipally owned utilities shall be used for utility-related purposes or activities associated with the economic development program as determined by the city council, including, but not limited to, load management, energy efficiency, energy conservation, incentives for load growth, line extensions, land purchase, site development, and demand side management measures.

Source: Laws 1991, LB 840, § 9; Laws 2011, LB471, § 1.

18-2709. Qualifying business, defined.

(1) Qualifying business means any corporation, partnership, limited liability company, or sole proprietorship which derives its principal source of income from any of the following: The manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities, including services providing advanced

telecommunications capability; tourism-related activities; or the production of films, including feature, independent, and documentary films, commercials, and television programs.

(2) Qualifying business also means:

(a) In cities of the first and second class and villages, a business that derives its principal source of income from the construction or rehabilitation of housing;

(b) A business that derives its principal source of income from retail trade, except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty percent of the total revenue generated pursuant to the act for an economic development program in any five-year period, commencing from the date of municipal approval of an economic development program, shall be used by the city for or devoted to the use of retail trade businesses. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale; and

(c) In cities with a population of two thousand five hundred inhabitants or less, a business shall be a qualifying business even though it derives its principal source of income from activities other than those set out in this section.

(3) If a business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in its economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

(4) A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance.

(5) Qualifying business does not include a political subdivision, a state agency, or any other governmental entity, except as allowed for cities of the first and second class and villages for rural infrastructure development as provided for in subsection (4) of section 18-2705.

Source: Laws 1991, LB 840, § 10; Laws 1993, LB 121, § 145; Laws 1993, LB 732, § 18; Laws 1994, LB 1188, § 1; Laws 1995, LB 207, § 4; Laws 2001, LB 827, § 14; Laws 2011, LB471, § 2; Laws 2012, LB863, § 2; Laws 2015, LB150, § 2.

18-2710. Economic development program; proposed plan, contents.

The governing body of any city proposing to adopt an economic development program shall prepare a proposed plan for such economic development program. The proposed plan shall include:

(1) A description of the city's general community and economic development strategy;

(2) A statement of purpose describing the city's general intent and proposed goals for the establishment of the economic development program;

(3) A description of the types of businesses and economic activities that will be eligible under the program for the city's assistance;

(4) A statement specifying the total amount of money that is proposed to be directly collected from local sources of revenue by the city to finance the program, whether the city desires the authority to issue bonds pursuant to the Local Option Municipal Economic Development Act to provide funds to carry out the economic development program, the time period within which the funds from local sources of revenue are to be collected, the time period during which the program will be in existence, and a basic preliminary proposed budget for the program;

(5) A description of the manner in which a qualifying business will be required to submit an application for financial assistance, including the type of information that will be required from the business, the process that will be used to verify the information, and the steps that will be taken to insure the privacy and confidentiality of business information provided to the city;

(6) A description of the administrative system that will be established to administer the economic development program, including a description of the personnel structure that will be involved and the duties and responsibilities of those persons involved; and

(7) A description of how the city will assure that all applicable laws, regulations, and requirements are met by the city and the qualifying businesses which receive assistance.

Source: Laws 1991, LB 840, § 11; Laws 1993, LB 732, § 19.

18-2710.01. Economic development program; housing for low-income or moderate-income persons; proposed plan; contents; eligibility criteria.

(1) If the proposed economic development program involves the making of grants or loans for the construction or rehabilitation for sale or lease of housing for persons of low or moderate income, the proposed plan shall specify (a) the income levels which will qualify persons for participation in the housing program and (b) the criteria for determining the adjustments to be made to the income of persons to determine their qualification for participation. For purposes of the Local Option Municipal Economic Development Act, the city shall determine low-income and moderate-income standards for the economic development program by basing such standards upon existing federal government guidelines or standards for qualifying for any federal housing assistance program as such levels may be modified by the consideration of existing local and regional economic conditions and income levels.

(2) In establishing the criteria to be applied in determining appropriate adjustments to the income of persons seeking consideration for participation in the program pursuant to subsection (1) of this section, the city shall consider the following factors:

- (a) The amount of income of the person which is available for housing needs;
- (b) The size of the family to reside in each housing unit;
- (c) The cost and condition of housing available in the city;
- (d) Whether the person or any member of the person's family who will be residing in the housing unit is elderly, infirm, or disabled;
- (e) The ability of the person to compete successfully in the private housing market and to pay the amounts the private enterprise market requires for safe, sanitary, and uncrowded housing; and
- (f) Such other factors as the city determines which are particularly relevant to the conditions facing persons seeking new or rehabilitated housing in the city.

Source: Laws 1995, LB 207, § 2.

18-2711. Land purchase; creation of loan fund; additional requirements.

(1) If the proposed economic development program involves the purchase of or option to purchase land, the proposed plan shall also specify the manner in which tracts of land will be identified for purchase or option to purchase and whether or not the city proposes to use the proceeds from the future sale of such land for additional land purchases.

(2) If the proposed economic development program involves the creation of a loan fund, the proposed plan shall also specify:

(a) The types of financial assistance that will be available, stating the maximum proportion of financial assistance that will be provided to any single qualifying business and specifying the criteria that will be used to determine the appropriate level of assistance;

(b) The criteria and procedures that will be used to determine the necessity and appropriateness of permitting a qualifying business to participate in the loan fund program;

(c) The criteria for determining the time within which a qualifying business must meet the goals set for it under its participation agreement;

(d) What personnel or other assistance beyond regular city employees will be needed to assist in the administration of the loan fund program and the manner in which they will be paid or reimbursed;

(e) The investment strategies that the city will pursue to promote the growth of the loan fund while assuring its security and liquidity; and

(f) The methods of auditing and verification that will be used by the city to insure that the assistance given is used in an appropriate manner and that the city is protected against fraud or deceit in the conduct or administration of the economic development program.

Source: Laws 1991, LB 840, § 12; Laws 1993, LB 732, § 20.

18-2712. Public hearing; governing body; adopt resolution; filing.

Upon completion of the proposed plan, the governing body of the city shall schedule a public hearing at which such plan shall be presented for public comment and discussion. Following the public hearing, the governing body shall adopt the proposed plan and any amendments by resolution. At the discretion of the governing body, the resolution may include the full text of the proposed plan or it may be incorporated by reference. The resolution shall include a statement of the date at which the economic development program will be presented to the voters of the city for approval pursuant to section 18-2713 and the language of the ballot question as it will appear on the ballot. Following its adoption, a copy of the resolution and the proposed plan shall be filed with the city clerk who shall make it available for public review at city hall during regular business hours.

Source: Laws 1991, LB 840, § 13; Laws 1993, LB 732, § 21.

18-2713. Election; procedures.

Before adopting an economic development program, a city shall submit the question of its adoption to the registered voters at an election. The governing body of the city shall order the submission of the question by filing a certified copy of the resolution proposing the economic development program with the election commissioner or county clerk not later than forty-one days prior to a special election or not later than fifty days prior to a primary or general election. The question on the ballot shall briefly set out the terms, conditions, and goals of the proposed economic development program, including the length of time during which the program will be in existence, the year or years within which the funds from local sources of revenue are to be collected, the source or sources from which the funds are to be collected, the total amount to be collected for the program from local sources of revenue, and whether the city proposes to issue bonds pursuant to the Local Option Municipal Economic Development Act to provide funds to carry out the economic development program. The ballot question shall also specify whether additional funds from other noncity sources will be sought beyond those derived from local sources of revenue. In addition to all other information, if the funds are to be derived from the city's property tax, the ballot question shall state the present annual cost of the economic development program per ten thousand dollars of assessed valuation based upon the most recent valuation of the city certified to the Property Tax Administrator pursuant to section 77-1613.01. The ballot question shall state: "Shall the city of (name of the city) establish an economic development program as described here by appropriating annually from local sources of revenue \$..... for years?". If the only city revenue source for the proposed economic development program is a local

option sales tax that has not yet been approved at an election, the ballot question specifications in this section may be repeated in the sales tax ballot question.

If a majority of those voting on the issue vote in favor of the question, the governing body may implement the proposed economic development program upon the terms set out in the resolution. If a majority of those voting on the economic development program vote in favor of the question when the only city revenue source is a proposed sales tax and a majority of those voting on the local option sales tax vote against the question, the governing body shall not implement the economic development program, and it shall become null and void. If a majority of those voting on the issue vote against the question, the governing body shall not implement the economic development program.

Source: Laws 1991, LB 840, § 14; Laws 1993, LB 732, § 22; Laws 1995, LB 490, § 23.

18-2714. Economic development program; established by ordinance; amendment; repeal; procedures.

(1) After approval by the voters of an economic development program, the governing body of the city shall, within forty-five days after such approval, establish the economic development program by ordinance in conformity with the terms of such program as set out in the original enabling resolution.

(2) After the adoption of the ordinance establishing the economic development program, such ordinance shall only be amended (a) to conform to the provisions of any existing or future state or federal law or (b) after notice, at least one public hearing, and a two-thirds vote of the members of the governing body of the city, when necessary to accomplish the purposes of the original enabling resolution.

(3) The governing body of a city shall not amend the economic development program so as to fundamentally alter its basic structure or goals, either with regard to the qualifying businesses that are eligible to participate, the local sources of revenue used to fund the program, the uses of the funds collected, or the basic terms set out in the original enabling resolution, without submitting the proposed changes to a new vote of the registered voters of the city in the manner provided for in section 18-2713.

(4) The governing body of a city may, at any time after the adoption of the ordinance establishing the economic development program, by a two-thirds vote of the members of the governing body, repeal the ordinance in its entirety and end the economic development program, subject only to the provisions of any existing contracts relating to such program and the rights of any third parties arising from those contracts. Prior to such vote by the governing body, it shall publish notice of its intent to consider the repeal and hold a public hearing on the issue. Any funds in the custody of the city for such economic development program which are not spent or committed at the time of the repeal and any funds to be received in the future from the prior operation of the economic development program shall be placed into the general fund of the city.

Source: Laws 1991, LB 840, § 15; Laws 2011, LB471, § 3.

18-2715. Citizen advisory review committee; membership; meetings; powers; unauthorized disclosure of information; penalty.

(1) The ordinance establishing the economic development program shall provide for the creation of a citizen advisory review committee. The committee shall consist of not less than five or more than ten registered voters of the city who shall be appointed to the committee by the mayor or chairperson subject to approval by the governing body of the city. At least one member of the committee shall have expertise or experience in the field of business finance or accounting. The ordinance shall designate an appropriate city official or employee with responsibility for the administration of the economic development program to serve as an ex officio member of the committee with responsibility for assisting the committee and providing it with necessary information and advice on the economic development program.

(2) No member of the citizen advisory review committee shall be an elected or appointed city official, an employee of the city, a participant in a decisionmaking position regarding expenditures of program funds, or an official or employee of any qualifying business receiving financial assistance under the economic development program or of any financial institution participating directly in the economic development program.

(3) The ordinance shall provide for regular meetings of the citizen advisory review committee to review the functioning and progress of the economic development program and to advise the governing body of the city with regard to the program. At least once in every six-month period after the effective date of the ordinance, the committee shall report to the governing body on its findings and suggestions at a public hearing called for that purpose.

(4) Members of the citizen advisory review committee, in their capacity as members and consistent with their responsibilities as members, may be permitted access to business information received by the city in the course of its administration of the economic development program, which information would otherwise be confidential (a) under section 84-712.05, (b) by agreement with a qualifying business participating in the economic development program, or (c) under any ordinance of the city providing access to such records to members of the committee and guaranteeing the confidentiality of business information received by reason of its administration of the economic development program. Such ordinance may provide that unauthorized disclosure of any business information which is confidential under section 84-712.05 shall be a Class III misdemeanor.

Source: Laws 1991, LB 840, § 16; Laws 1993, LB 732, § 23.

18-2716. Expenditures; budget.

Following the adoption of an ordinance establishing an economic development program, the amount to be expended on the program for the ensuing year or biennial period shall be fixed at the time of making the annual or biennial budget required by law and shall be included in the budget.

Source: Laws 1991, LB 840, § 17; Laws 2000, LB 1116, § 16.

18-2717. Appropriations; restrictions.

(1) No city shall appropriate from funds derived directly from local sources of revenue for all approved economic development programs, in each year during which such programs are in existence, an amount in excess of four-tenths of one percent of the taxable valuation of the city in the year in which the funds are collected.

(2) Notwithstanding the provisions of subsections (1) and (3) of this section, no city of the metropolitan or primary class shall appropriate from funds derived directly from local sources of revenue more than five million dollars for all approved economic development programs in any one year, no city of the first class shall appropriate from funds derived directly from local sources of revenue more than four million dollars for all approved economic development programs in any one year, and no city of the second class or village shall appropriate from funds derived directly from local sources of revenue more than three million dollars for all approved economic development programs in any one year.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, no city shall appropriate from funds derived directly from local sources of revenue an amount for an economic development program in excess of the total amount approved by the voters at the election or elections in which the economic development program was submitted or amended.

(4) The restrictions on the appropriation of funds from local sources of revenue as set out in subsections (1) through (3) of this section shall apply only to the appropriation of funds derived directly from local sources of revenue. Sales tax collections in excess of the amount which may be appropriated as a result of the restrictions set out in such subsections shall be deposited in the city's economic development fund and invested as provided for in section 18-2718. Any funds in the city's economic development fund not otherwise restricted from appropriation by reason of the city's ordinance governing the economic development program or this section may be appropriated and spent for the purposes of the economic development program in any amount and at any time at the discretion of the governing body of the city subject only to section 18-2716.

(5) The restrictions on the appropriation of funds from local sources of revenue shall not apply to the reappropriation of funds which were appropriated but not expended during previous fiscal years.

Source: Laws 1991, LB 840, § 18; Laws 1992, LB 719A, § 79; Laws 1993, LB 732, § 24; Laws 2000, LB 1258, § 1; Laws 2011, LB471, § 4.

18-2718. Economic development fund; required; use; investment; termination of program; effect; continuation of program; election.

(1) Any city conducting an economic development program shall establish a separate economic development fund. All funds derived from local sources of revenue for the economic development program, any earnings from the investment of such funds including, but not limited to, interest earnings, loan payments, and any proceeds from the sale or rental by the city of assets purchased by the city under its economic development program shall be deposited into the economic

development fund. Any proceeds from the issuance and sale of bonds pursuant to the Local Option Municipal Economic Development Act to provide funds to carry out the economic development program, except as provided in section 18-2732, shall be deposited into the economic development fund. Except as provided in this section, subsection (4) of section 18-2714, and subsection (7) of section 18-2722, no money in the economic development fund shall be deposited in the general fund of the city. The city shall not transfer or remove funds from the economic development fund other than for the purposes prescribed in the Local Option Municipal Economic Development Act, and the money in the economic development fund shall not be commingled with any other city funds.

(2) Any money in the economic development fund not currently required or committed for purposes of the economic development program shall be invested as provided for in section 77-2341.

(3) In the event that the city's economic development program is terminated as provided in subsection (4) of section 18-2714 or subsection (7) of section 18-2722, the balance of money in the economic development fund not otherwise committed by contract under the program shall be deposited in the general fund of the city. Any funds received by the city by reason of the economic development program after the termination of such program shall be transferred from the economic development fund to the general fund of the city as such funds are received. The economic development fund shall not be terminated until such time as all projects and contracts related to the program have been finally completed and all funds related to them fully accounted for, with no further city action required, and after the completion of a final audit pursuant to section 18-2721.

(4) When the economic development program is terminated, the governing body of the city shall by resolution certify the amount of money to be transferred from the economic development fund to the general fund of the city and the amount that is anticipated will be received by the city between such time and the final audit of the economic development fund. The sum of those two amounts shall be divided by the number of years in which funds for the economic development program were collected from local sources of revenue. The resulting figure shall constitute the amount to be applied against the budgeted expenditures of the city during each succeeding year until all funds from the economic development program have been expended. The installments shall be used to reduce the property tax levy of the city by that amount in each year in which they are expended.

(5) If, after five full budget years following initiation of the approved economic development program, less than fifty percent of the money collected from local sources of revenue is spent or committed by contract for the economic development program, the governing body of the city shall place the question of the continuation of the city's economic development program on the ballot at the next regular election.

Source: Laws 1991, LB 840, § 19; Laws 1993, LB 732, § 25.

18-2719. Loan fund program; qualifying business; documentation required.

At the time when a qualifying business makes application to a city to participate in a loan fund program, the qualifying business shall provide to the city appropriate documentation evidencing its negotiations with one or more primary lenders and the terms upon which it has received or will receive the portion of the total financing for its activities which will not be provided by the city.

Source: Laws 1991, LB 840, § 20.

18-2720. Loan fund program; loan servicing requirements.

(1) If the economic development program involves the establishment of a loan fund, the governing body of the city shall designate an appropriate individual to assume primary responsibility for loan servicing and shall provide such other assistance or additional personnel as may be required. The individual may be an employee of the city, or the city may contract with an appropriate business or financial institution for loan servicing functions. The governing body of the city shall be provided with an account of the status of each loan outstanding, program income, and current investments of unexpended funds on a monthly basis. Program income shall mean payments of principal and interest on loans made from the loan fund and the interest earned on these funds.

(2) Records kept on such accounts and reports made to the governing body of the city shall include, but not be limited to, the following information: (a) The name of the borrower; (b) the purpose of the loan; (c) the date the loan was made; (d) the amount of the loan; (e) the basic terms of the loan, including the interest rate, the maturity date, and the frequency of payments; and (f) the payments made to date and the current balance due.

(3) The individual responsible for loan servicing shall monitor the status of each loan and, with the cooperation of the governing body of the city and the primary lender or lenders, take appropriate action when a loan becomes delinquent. The governing body shall establish standards for the determination of loan delinquency, when a loan shall be declared to be in default, and what action shall be taken to deal with the default to protect the interests of the qualifying business, third parties, and the city. The governing body shall establish a process to provide for consultation, agreement, and joint action between the city and the primary lender or lenders in pursuing appropriate remedies following the default of a qualifying business in order to collect amounts owed under the loan.

Source: Laws 1991, LB 840, § 21; Laws 2008, LB895, § 1.

18-2721. Audit.

The city shall provide for an annual, outside, independent audit of its economic development program by a qualified private auditing business. The auditing business shall not, at the time of the audit or for any period during the term subject to the audit, have any contractual or business relationship with any qualifying business receiving funds or assistance under the economic development program or any financial institution directly involved with a qualifying business

receiving funds or assistance under the economic development program. The results of such audit shall be filed with the city clerk and made available for public review during normal business hours.

Source: Laws 1991, LB 840, § 22.

18-2722. Continuation of program; election; procedure.

(1) The registered voters of any city that has established an economic development program shall, at any time after one year following the original vote on the program, have the right to vote on the continuation of the economic development program. The question shall be submitted to the voters whenever petitions calling for its submission, signed by registered voters of the city in number equal to at least twenty percent of the number of persons voting in the city at the last preceding general election, are presented to the governing body of the city.

(2) Upon the receipt of the petitions, the governing body of the city shall submit the question at a special election to be held not less than thirty days nor more than forty-five days after receipt of the petitions, except that if any other election is to be held in such city within ninety days of the receipt of the petitions, the governing body may provide for holding the election on the same date.

(3) Notwithstanding the provisions of subsection (2) of this section, if two-thirds of the members of the governing body of the city vote to repeal the ordinance establishing the economic development program within fifteen days of the receipt of the petitions for an election, the economic development program shall end and the election shall not be held.

(4) The governing body shall give notice of the submission of the question of whether to continue the economic development program not more than twenty days nor less than ten days prior to the election by publication one time in one or more newspapers published in or having a general circulation in the city in which the question is to be submitted. Such notice shall be in addition to any other notice required by the election laws of the state.

(5) The question on the ballot shall generally set out the basic terms and provisions of the economic development program as required for the initial submission, except that the question shall be: "Shall the city of (name of the city) continue its economic development program?".

(6) A majority of the registered voters voting on the question at the election shall determine the question. The final vote shall be binding on the city, and the governing body of the city shall act within sixty days of the certification of the vote by the county clerk or the election commissioner to repeal the ordinance establishing the economic development program if a majority of the voters voting on the question vote to discontinue the program.

(7) The repeal of the ordinance and the discontinuation of the economic development program shall be subject only to the provisions of any contracts related to the economic development program and the rights of any third parties arising from those contracts existing on the date of the election. Any funds collected by the city under the economic development program and unexpended for that program on the date of its repeal and any funds received by the city on account

of the operation of the economic development program thereafter shall be deposited in the general fund of the city.

Source: Laws 1991, LB 840, § 23.

18-2723. Appropriations and expenditures; exempt.

Appropriations and expenditures made by a city which are authorized by section 13-315 and made according to its provisions shall not be subject to the Local Option Municipal Economic Development Act and shall be exempt from its requirements.

Source: Laws 1991, LB 840, § 3.

18-2724. Issuance of bonds; purpose; not general obligation of city.

Any city which has received voter approval to conduct an economic development program pursuant to the Local Option Municipal Economic Development Act, which program as presented to the voters included the authority to issue bonds pursuant to the act, may from time to time issue bonds as provided in sections 18-2724 to 18-2736. Such bonds shall be in such principal amounts as the city's governing body deems necessary to provide sufficient funds to carry out any of the purposes of and powers granted pursuant to the economic development program, including the establishment or increase of reserves and the payment of all other costs or expenses of the city incident to and necessary or convenient to carry out the economic development program. Principal and interest on the bonds shall be payable from one or more sources which are to be deposited in the economic development fund pursuant to section 18-2718. The bonds shall not be a general obligation of the city or a pledge of its credit or taxing power except to the extent of the obligation of the city to contribute funds to the economic development program pursuant to the act.

Source: Laws 1993, LB 732, § 1.

18-2725. Issuance of bonds; immunity.

The members of a city's governing body and any person executing bonds under section 18-2724 shall not be liable personally on such bonds by reason of the issuance thereof.

Source: Laws 1993, LB 732, § 2.

18-2726. Issuance of bonds; authorization; form.

Bonds issued under section 18-2724 shall be authorized by resolution of the issuing city's governing body, may be issued under a resolution or under a trust indenture or other security instrument in one or more series, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, trust indenture, or other security instrument may provide and without limitation by any other law

limiting amounts, maturities, or interest rates. Any officer authorized or designated to sign, countersign, execute, or attest any bond or any coupon may utilize a facsimile signature in lieu of his or her manual signature.

Source: Laws 1993, LB 732, § 3.

18-2727. Bonds; negotiability; sale.

(1) Except as the issuing city's governing body may otherwise provide, any bond and any attached interest coupons shall be fully negotiable within the meaning of and for all purposes of article 8, Uniform Commercial Code.

(2) The bonds may be sold at public or private sale as provided by the city's governing body and at such price or prices as determined by such governing body.

Source: Laws 1993, LB 732, § 4.

18-2728. Bonds; officers' signatures; validity.

If any of the officers whose signatures appear on any bonds or coupons issued under section 18-2724 cease to be such officers before the delivery of such obligations, such signatures shall nevertheless be valid and sufficient for all purposes to the same extent as if such officers had remained in office until such delivery.

Source: Laws 1993, LB 732, § 5.

18-2729. Issuance of bonds; city covenants and powers.

Any city may in connection with the issuance of its bonds under section 18-2724:

(1) Covenant as to the use of any or all of the property, real or personal, acquired pursuant to its economic development program;

(2) Redeem the bonds, covenant for their redemption, and provide the terms and conditions of redemption;

(3) Covenant to charge or seek necessary approval to charge rates, fees, and charges sufficient to meet operating and maintenance expenses of the agency, costs of renewals and replacements to a project, interest and principal payments, whether at maturity or upon sinking-fund redemption, on any outstanding bonds or other indebtedness of the city, and creation and maintenance of any reasonable reserves therefor and to provide for any margins or coverages over and above debt service on the bonds deemed desirable for the marketability or security of the bonds;

(4) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, as to the terms and

conditions upon which such declaration and its consequences may be waived, and as to the consequences of default and the remedies of bondholders;

(5) Covenant as to the mortgage or pledge of or the grant of any other security interest in any real or personal property and all or any part of the revenue from any property, contract, or other source within the city's economic development program to secure the payment of bonds, subject to such agreements with the holders of outstanding bonds as may then exist;

(6) Covenant as to the custody, collection, securing, investment, and payment of any revenue, assets, money, funds, or property with respect to which the city may have any rights or interest pursuant to the economic development program;

(7) Covenant as to the purposes to which the proceeds from the sale of any bonds may be applied and the pledge of such proceeds to secure the payment of the bonds;

(8) Covenant as to limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds;

(9) Covenant as to the rank or priority of any bonds with respect to any lien or security;

(10) Covenant as to the procedure by which the terms of any contract with or for the benefit of the bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(11) Covenant as to the custody, safekeeping, and insurance of any of the properties or investments of the city and the use and disposition of insurance proceeds;

(12) Covenant as to the vesting in a trustee or trustees, within or outside the state, of such properties, rights, powers, and duties in trust as the city may determine;

(13) Covenant as to the appointing and providing for the duties and obligations of a paying agent or paying agents or other fiduciaries within or outside the state;

(14) Make all other covenants and do any and all such acts and things as may be necessary, convenient, or desirable in order to secure its bonds or, in the absolute discretion of the city, tend to make the bonds more marketable, notwithstanding that such covenants, acts, or things may not be enumerated in this section; and

(15) Execute all instruments necessary or convenient in the exercise of the economic development program granted or in the performance of covenants or duties, which instruments may contain such covenants and provisions as any purchaser of bonds may reasonably require.

Source: Laws 1993, LB 732, § 6.

18-2730. Refunding bonds; issuance authorized.

Any city may issue and sell refunding bonds for the purpose of paying or providing for the payment of any of its bonds issued under section 18-2724 at or prior to maturity or upon acceleration or redemption. Refunding bonds may be issued at any time prior to or at the maturity or redemption of the refunded bonds as the city's governing body deems appropriate. The refunding bonds may be issued in principal amount not exceeding an amount sufficient to pay or to provide for the payment of (1) the principal of the bonds being refunded, (2) any redemption premium thereon, (3) interest accrued or to accrue to the first or any subsequent redemption date or dates selected by the city's governing body in its discretion or to the date or dates of maturity, whichever is determined to be most advantageous or convenient for the city, (4) the expenses of issuing the refunding bonds, including bond discount, and redeeming the bonds being refunded, and (5) such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be deemed necessary or convenient by the governing body of the issuing city. A determination by the governing body that any refinancing is advantageous or necessary, that any of the amounts provided in this section should be included in such refinancing, or that any of the bonds to be refinanced should be called for redemption on the first or any subsequent redemption date or permitted to remain outstanding until their respective dates of maturity shall be conclusive.

Source: Laws 1993, LB 732, § 7.

18-2731. Refunding bonds; use; holder of bonds; payment of interest.

Refunding bonds issued under section 18-2730 may be exchanged for and in payment and discharge of any of the outstanding obligations being refunded. The refunding bonds may be exchanged for a like, greater, or smaller principal amount of the bonds being refunded as the issuing city's governing body may determine in its discretion. The holder or holders of the bonds being refunded need not pay accrued interest on the refunding bonds if and to the extent that interest is due or accrued and unpaid on the bonds being refunded and to be surrendered.

Source: Laws 1993, LB 732, § 8.

18-2732. Refunding bonds; deposit of proceeds in trust; investments authorized; section, how construed.

To the extent not required for the immediate payment and retirement of the obligations being refunded or for the payment of expenses incurred in connection with such refunding and subject to any agreement with the holders of any outstanding bonds, principal proceeds from the sale of any refunding bonds under section 18-2730 shall be deposited in trust to provide for the payment and retirement of the bonds being refunded, payment of interest and any redemption premiums, and payment of any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, but not limited to, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government, in obligations of any agency or instrumentality of the United States Government, or

in certificates of deposit issued by a bank, capital stock financial institution, qualifying mutual financial institution, or trust company if such certificates are secured by a pledge of any of such obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this section shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which have not matured and which are not presently redeemable or, if presently redeemable, have not been called for redemption. Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 77-2365.01 shall apply to deposits in qualifying mutual financial institutions.

Source: Laws 1993, LB 732, § 9; Laws 2001, LB 362, § 28.

18-2733. Refunding bonds; general provisions applicable.

The issue of refunding bonds, the manner of sale, the maturities, interest rates, form, and other details thereof, the security therefor, the rights of the holders thereof, and the rights, duties, and obligations of the city in respect of the same shall be governed by the provisions of sections 18-2724 to 18-2736 relating to the issue of bonds other than refunding bonds insofar as the same may be applicable.

Source: Laws 1993, LB 732, § 10.

18-2734. Issuance of bonds; consent or other conditions not required.

Bonds may be issued under sections 18-2724 to 18-2736 without obtaining the consent of any department, division, commission, board, bureau, or instrumentality of this state and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, or things which are specifically required therefor by such sections, and the validity of and security for any bonds shall not be affected by the existence or nonexistence of any such consent or other proceedings, conditions, or things.

Source: Laws 1993, LB 732, § 11.

18-2735. Bonds; securities; investment authorized.

Bonds issued pursuant to sections 18-2724 to 18-2736 shall be securities in which all public officers and instrumentalities of the state and all political subdivisions, insurance companies, trust companies, banks, savings and loan associations, investment companies, executors, administrators, personal representatives, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds shall be securities which may properly and legally be deposited with and received by any officer or instrumentality of this state or any political subdivision for any purpose for which the deposit of bonds or obligations of this state or any political subdivision thereof is now or may hereafter be authorized by law.

Source: Laws 1993, LB 732, § 12.

18-2736. Bonds; tax exempt.

All bonds of a city issued pursuant to sections 18-2724 to 18-2736 are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempt from all taxes.

Source: Laws 1993, LB 732, § 13.

18-2737. Economic development program approved prior to June 1, 1993; bond issuance; authorized; procedure.

(1) Any city which has received voter approval to conduct an economic development program pursuant to the Local Option Municipal Economic Development Act prior to June 1, 1993, may, subject to subsection (2) of this section, issue bonds as provided by the act even though the proposed plan prepared pursuant to section 18-2710 did not contemplate or provide for the issuance of bonds and the question on the ballot approved by the voters did not set out that the city proposed to issue bonds to provide funds to carry out the economic development program.

(2) The governing body of any city proposing to issue bonds pursuant to the authority granted by subsection (1) of this section shall adopt a resolution expressing the intent of the city to issue bonds from time to time pursuant to the act to provide funds to carry out the economic development program. Such resolution shall set a date for a public hearing on the issue of exercising such authority, and notice of such hearing shall be published in a newspaper of general circulation in the city at least seven days prior to the date of such hearing. Following such hearing, the governing body of the city shall amend or incorporate into the ordinance adopted pursuant to section 18-2714 a provision authorizing the governing body to exercise, in the manner set forth in the act, the authority granted by the act to issue bonds to provide funds to carry out the economic development program.

(3) Any city desiring to exercise the authority granted by this section which complies with the provisions of subsection (2) of this section may exercise the authority to issue bonds as provided in the act.

Source: Laws 1993, LB 732, § 14.

18-2738. Act; supplemental powers; how construed.

The powers conferred by the Local Option Municipal Economic Development Act shall be in addition and supplemental to the powers conferred by any other law and shall be independent of and in addition to any other provisions of the law of Nebraska, including the Community Development Law. The act and all grants of power, authority, rights, or discretion to a city under the act shall be liberally construed, and all incidental powers necessary to carry the act into effect are hereby expressly granted to and conferred upon a city.

Source: Laws 1993, LB 732, § 15.

Cross References

- **Community Development Law**, see section 18-2101.

18-2739. Production of films, commercials, and television programs; qualifying business; duties.

A qualifying business which derives its principal source of income from the production of films, commercials, and television programs and which is utilizing an economic development program shall (1) provide notice to the Nebraska Film Office or its successor of each project for which the qualifying business intends to utilize the economic development program and (2) acknowledge in the production credits of the film, commercial, or television program the State of Nebraska and the city operating the economic development program. The acknowledgment shall be required only when production credits are displayed and shall not be required if prohibited by local, state, or federal law, rule, or regulation.

Source: Laws 2012, LB863, § 3.

Cities that have adopted the Local Option Municipal Economic Development Act¹
(Laws 1991, LB 840)

Ainsworth	Fairbury	O'Neill
Albion	Falls City	Ord
Alliance	Fremont	Oshkosh
Arapahoe	Fullerton	Plainview
Arnold	Geneva	Plattsmouth
Atkinson	Gering	Ravenna
Bayard	Gothenburg	Sargent
Beatrice	Grand Island	Scribner
Beaver City	Hartington	Schuyler
Beemer	Holdrege	Scottsbluff
Bellevue	Imperial	Seward
Blair	Kimball	Sidney
Burwell	La Vista	South Sioux City
Cambridge	Lexington	St. Paul
Central City	Louisville	Stromsburg
Chadron	Loup City	Superior
Clearwater	McCook	Sutton
Columbus	Milford	Tecumseh
Cozad	Mitchell	Valentine
Crete	Nebraska City	Wakefield
Crofton	Neligh	Wayne
Curtis	Norfolk	West Point
Doniphan	North Platte	

¹ Source: Nebraska Department of Economic Development, <http://www.neded.org/community/community-info/community-improvement/local-option-municipal-economic-development-act-lb840>.

COMMUNITY DEVELOPMENT LAW

18-2101. Act, how cited.

Sections 18-2101 to 18-2144 shall be known and may be cited as the Community Development Law.

Source: Laws 1951, c. 224, § 1, p. 797; R.R.S.1943, § 14-1601; Laws 1957, c. 52, § 1, p. 247; R.R.S.1943, § 19-2601; Laws 1973, LB 299, § 1; Laws 1997, LB 875, § 2; Laws 2007, LB562, § 1; Laws 2013, LB66, § 1.

Annotations

- In considering a challenge to actions taken by a community redevelopment authority pursuant to the Community Development Law, a district court may disturb the decision of the community redevelopment authority only if it determines that the decision was illegal or is not supported by the evidence and is thus arbitrary, unreasonable, or clearly wrong. Under the Community Development Law, land cannot be added to an existing community redevelopment area unless (1) the additional land is declared blighted or substandard within the meaning of the Community Development Law or (2) the additional land is reasonably necessary to accomplish the implementation of the existing redevelopment plan. *Fitzke v. City of Hastings*, 255 Neb. 46, 582 N.W.2d 301 (1998).

18-2101.01. Creation of agency; cooperation with federal government; taxes, bonds, and notes; other powers.

Cities of all classes and villages of this state are hereby granted power and authority to create a community development agency by ordinance, which agency may consist of the governing body of the city or village or a new or existing municipal division or department, or combination thereof. When such an agency is created, it shall function in the manner prescribed by ordinance and may exercise all of the power and authority granted to a community redevelopment authority in sections 18-2101 to 18-2144. Cities of all classes and villages of this state are also granted power and authority to do all community development activities, and to do all things necessary to cooperate with the federal government in all matters relating to community development program activities as a grantee, or as an agent or otherwise, under the provisions of the federal Housing and Community Development Act of 1974, as amended through the Housing and Community Development Amendments of 1981. Whenever such a city exercises the power conferred in this section, it may levy taxes for the exercise of such jurisdiction and authority and may issue general obligation bonds, general obligation notes, revenue bonds, and revenue notes including general obligation and revenue refunding bonds and notes for the purposes set forth in such sections and under the power granted to any authority described.

Source: Laws 1973, LB 299, § 2; Laws 1976, LB 445, § 1; Laws 1979, LB 158, § 1; Laws 1980, LB 986, § 1; Laws 1983, LB 71, § 7.

18-2102. Legislative findings and declarations.

It is hereby found and declared that there exist in cities of all classes and villages of this state areas which have deteriorated and become substandard and blighted because of the unsafe, insanitary, inadequate, or overcrowded condition of the dwellings therein, or because of inadequate planning of the area, or excessive land coverage by the buildings thereon, or the lack of proper light and air and open space, or because of the defective design and arrangement of the buildings thereon, or faulty street or lot layout, or congested traffic conditions, or economically or socially undesirable land uses. Such conditions or a combination of some or all of them have resulted and will continue to result in making such areas economic or social liabilities harmful to the social and economic well-being of the entire communities in which they exist, needlessly increasing public expenditures, imposing onerous municipal burdens, decreasing the tax base, reducing tax revenue, substantially impairing or arresting the sound growth of municipalities, aggravating traffic problems, substantially impairing or arresting the elimination of traffic hazards and the improvement of traffic facilities, and depreciating general community-wide values. The existence of such areas contributes substantially and increasingly to the spread of disease and crime, necessitating excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, punishment and the treatment of juvenile delinquency, and for the maintenance of adequate police, fire, and accident protection and other public services and facilities. These conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids herein provided. The elimination of such conditions and the acquisition and preparation of land in or necessary to the renewal of substandard and blighted areas and its sale or lease for development or redevelopment in accordance with general plans and redevelopment plans of communities and any assistance which may be given by any state public body in connection therewith are public uses and purposes for which public money may be expended and private property acquired. The necessity in the public interest for the provisions of the Community Development Law is hereby declared to be a matter of legislative determination.

It is further found and declared that the prevention and elimination of blight is a matter of state policy, public interest, and statewide concern and within the powers and authority inhering in and reserved to the state, in order that the state and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of their revenue.

It is further found and declared that certain substandard and blighted areas, or portions thereof, may require acquisition, clearance, and disposition, subject to use restrictions, as provided in the Community Development Law, since the prevailing conditions of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in the Community Development Law, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils, hereinbefore enumerated, may be eliminated, remedied, or prevented; and that salvageable substandard and blighted areas can be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.

Source: Laws 1951, c. 224, § 2, p. 797; R.R.S.1943, § 14-1602; Laws 1957, c. 52, § 2, p. 247; Laws 1961, c. 61, § 1, p. 223; R.R.S.1943, § 19-2602; Laws 1965, c. 74, § 1, p. 298; Laws 1997, LB 875, § 3.

18-2102.01. Creation of authority or limited authority; name; membership; terms; optional election; officers and employees; quorum; interest in contracts; accounts; loan from city; finances; deposits; audit.

Cities of all classes and villages of this state are hereby granted power and authority to create community redevelopment authorities and limited community redevelopment authorities.

(1) Whenever an authority or limited authority is created it shall bear the name of the city creating it and shall be legally known as the Community Redevelopment Authority of the City (or Village) of (name of city or village) or the Limited Community Redevelopment Authority of the City (or Village) of (name of city or village).

(2) When it is determined by the governing body of any city by ordinance in the exercise of its discretion that it is expedient to create a community redevelopment authority or limited community redevelopment authority, the mayor of the city or, if the mayor shall fail to act within ninety days after the passage of the ordinance, the president or other presiding officer other than the mayor of the governing body, with the approval of the governing body of the city, shall appoint five or seven persons who shall constitute the authority or the limited authority. The terms of office of the members of a five-member authority initially appointed shall be for one year, two years, three years, four years, and five years, as designated by the mayor, president, other presiding officer, or city manager in making the respective appointments. The terms of office of the members of a seven-member authority initially appointed shall be one member each for one year, two years, and five years, and two members each for three years and four years, as designated by the mayor, president, other presiding officer, or city manager in making the respective appointments. As the terms of the members of the authority expire in cities not having the city manager form of government, the mayor, with the approval of the governing body of the city, shall appoint or reappoint a member of the authority for a term of five years to succeed the member whose term expires. In cities having the city manager form of government, the city manager shall appoint or reappoint the members with the approval of the governing body. The terms of office of the members of a limited community redevelopment authority shall be for the duration of only one single specific limited pilot project authorized in the ordinance creating the limited community redevelopment authority, and the terms of the members of a limited community redevelopment authority shall expire upon the completion of the single specific limited pilot project authorized in the ordinance creating the limited community redevelopment authority.

A governing body may at its option submit an ordinance which creates a community redevelopment authority or a limited community redevelopment authority to the electors of the city for approval by a majority vote of the electors voting on the ordinance. On submitting the ordinance for approval, the governing body is authorized to call, by the ordinance, a special or general election and to submit, after thirty days' notice of the time and place of holding the election and according to the manner and method otherwise provided by law for the calling, conducting, canvassing, and certifying of the result of city elections on the submission of propositions to the electors, the proposition to be stated on the ballot as follows:

Shall the City (or Village) of (name of city or village) create a Community Redevelopment Authority of the City (or Village) of (name of city or village)?

... Yes

... No.

When the ordinance submitted to the electors for approval by a majority vote of the electors voting on the ordinance is to create a limited community redevelopment authority the proposition shall be stated on the ballot as follows:

Shall the City (or Village) of (name of city or village) create a Limited Community Redevelopment Authority of the City (or Village) of (name of city or village)?

... Yes

... No.

Vacancies shall be filled for any unexpired term in the same manner as the original appointment. Members of the authority so appointed shall hold office until their successors have been appointed and qualified. Members of a limited authority shall hold office as provided in this section. All members of the authority shall serve without compensation, but shall be entitled to be reimbursed for all necessary expenses incurred.

(3) Any authority established under this section shall organize by electing one of its members chairperson and another vice-chairperson, shall have power to employ counsel, a director who shall be ex officio secretary of the authority, and such other officers and employees as may be desired, and shall fix the term of office, qualifications, and compensation of each. The holder of the office of community redevelopment administrator or coordinator of the city may, but need not, be appointed the director but at no additional compensation by the authority. Community redevelopment authorities of cities of the first and second class and villages may secure the services of a director, community redevelopment administrator, or coordinator, and other officers and employees as may be desired through contract with the Department of Economic Development upon terms which are mutually agreeable. Any authority established under this section may validly and effectively act on all matters requiring a resolution or other official action by the concurrence of three members of a five-member authority or four members of a seven-member authority present and voting at a meeting of the authority. Orders, requisitions, warrants, and other documents may be executed by the chairperson or vice-chairperson or by or with others designated in its bylaws.

(4) No member or employee of any authority established under this section shall have any interest directly or indirectly in any contract for property, materials, or services to be required by such authority.

(5) The authority shall keep an accurate account of all its activities and of all receipts and disbursements and make an annual report of such activities, receipts, and disbursements to the governing body of the city.

(6) The governing body of a city creating a community redevelopment authority or a limited community redevelopment authority is hereby authorized to appropriate and loan to the authority a sum not exceeding ten thousand dollars for the purposes of paying expenses of organizing and supervising the work of the authority at the beginning of its activities. The loan shall be authorized by resolution of the governing body which shall set forth the terms and time of the repayment of the loan. The loan may be appropriated out of the general funds or any sinking fund.

(7) All income, revenue, profits, and other funds received by any authority established under this section from whatever source derived, or appropriated by the city, or realized from tax receipts or comprised in the special revenue fund of the city designated for the authority or from the proceeds of bonds, or otherwise, shall be deposited with the city treasurer as ex officio treasurer of the authority without commingling the money with any other money under his or her control and disbursed by him or her by check, draft, or order only upon warrants, orders, or requisitions by the chairperson of the authority or other person authorized by the authority which shall state distinctly the purpose for which the same are drawn. A permanent record shall be kept by the authority of all warrants, orders, or requisitions so drawn, showing the date, amount, consideration, and to whom payable. When paid, the same shall be canceled and kept on file by the city treasurer. The books of any authority established under this section shall from time to time be audited upon the order of the governing body of the municipality in such manner as it may direct, and all books and records of the authority shall at all times be open to public inspection. The authority may contract with the holders of any of its bonds or notes as to collection, custody, securing investment, and payment of any money of the authority or any money held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes. The authority may carry out the contract notwithstanding that such contract may be inconsistent with the previous provisions of this subdivision. All banks, capital stock financial institutions, qualifying mutual financial institutions, and trust companies are hereby authorized to give security for the deposits of money of any authority established under the provisions of this section pursuant to the Public Funds Deposit Security Act. Section 77-2366 applies to deposits in capital stock financial institutions. Section 77-2365.01 shall apply to deposits in qualifying mutual financial institutions.

Source: Laws 1957, c. 52, § 3, p. 248; Laws 1961, c. 61, § 2, p. 224; Laws 1963, c. 89, § 9, p. 307; R.S.Supp., 1963, § 19-2602.01; Laws 1965, c. 74, § 2, p. 300; Laws 1967, c. 87, § 1, p. 273; Laws 1969, c. 106, § 1, p. 484; Laws 1969, c. 107, § 1, p. 499; Laws 1989, LB 33, § 23; Laws 1997, LB 875, § 4; Laws 1999, LB 396, § 19; Laws 2001, LB 362, § 26; Laws 2009, LB339, § 1.

Cross References

- **Public Funds Deposit Security Act**, see section 77-2386.

18-2103. Terms, defined.

For purposes of the Community Development Law, unless the context otherwise requires:

(1) An authority means any community redevelopment authority created pursuant to section 18-2102.01 and a city or village which has created a community development agency pursuant to the provisions of section 18-2101.01 and does not include a limited community redevelopment authority;

(2) Limited community redevelopment authority means a community redevelopment authority created pursuant to section 18-2102.01 having only one single specific limited pilot project authorized;

(3) City means any city or incorporated village in the state;

(4) Public body means the state or any municipality, county, township, board, commission, authority, district, or other political subdivision or public body of the state;

(5) Governing body or local governing body means the city council, board of trustees, or other legislative body charged with governing the municipality;

(6) Mayor means the mayor of the city or chairperson of the board of trustees of the village;

(7) Clerk means the clerk of the city or village;

(8) Federal government means the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America;

(9) Area of operation means and includes the area within the corporate limits of the city and such land outside the city as may come within the purview of sections 18-2123 and 18-2123.01;

(10) Substandard areas means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;

(11) Blighted area means an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which

the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted. A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 shall not count towards the percentage limitations contained in this subdivision;

(12) Redevelopment project means any work or undertaking in one or more community redevelopment areas: (a) To acquire substandard and blighted areas or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development, or redevelopment of such substandard and blighted areas; (b) to clear any such areas by demolition or removal of existing buildings, structures, streets, utilities, or other improvements thereon and to install, construct, or reconstruct streets, utilities, parks, playgrounds, public spaces, public parking facilities, sidewalks or moving sidewalks, convention and civic centers, bus stop shelters, lighting, benches or other similar furniture, trash receptacles, shelters, skywalks and pedestrian and vehicular overpasses and underpasses, and any other necessary public improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; (c) to sell, lease, or otherwise make available land in such areas for residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or for public use or to retain such land for public use, in accordance with a redevelopment plan; and may also include the preparation of the redevelopment plan, the planning, survey, and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project; (d) to dispose of all real and personal property or any interest in such property, or assets, cash, or other funds held or used in connection with residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or any public use specified in a redevelopment plan or project, except that such disposition shall be at its fair value for uses in accordance with the redevelopment plan; (e) to acquire real property in a community redevelopment area which, under the redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitate the structures, and resell the property; and (f) to carry out plans for a program of voluntary or compulsory repair, rehabilitation, or demolition of buildings or other improvements in accordance with the redevelopment plan;

(13) Redevelopment plan means a plan, as it exists from time to time for one or more community redevelopment areas, or for a redevelopment project, which (a) conforms to the general plan for the municipality as a whole and (b) is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area, zoning and planning changes, if any, land uses, maximum densities, and building requirements;

(14) Redeveloper means any person, partnership, or public or private corporation or agency which enters or proposes to enter into a redevelopment contract;

(15) Redevelopment contract means a contract entered into between an authority and a redeveloper for the redevelopment of an area in conformity with a redevelopment plan;

(16) Real property means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage, or otherwise, and the indebtedness secured by such liens;

(17) Bonds means any bonds, including refunding bonds, notes, interim certificates, debentures, or other obligations issued pursuant to the Community Development Law except for bonds issued pursuant to section 18-2142.04;

(18) Obligee means any bondholder, agent, or trustee for any bondholder, or lessor demising to any authority, established pursuant to section 18-2102.01, property used in connection with a redevelopment project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with such authority;

(19) Person means any individual, firm, partnership, limited liability company, corporation, company, association, joint-stock association, or body politic and includes any trustee, receiver, assignee, or other similar representative thereof;

(20) Community redevelopment area means a substandard and blighted area which the community redevelopment authority designates as appropriate for a renewal project;

(21) Redevelopment project valuation means the valuation for assessment of the taxable real property in a redevelopment project last certified for the year prior to the effective date of the provision authorized in section 18-2147;

(22) Enhanced employment area means an area not exceeding six hundred acres (a) within a community redevelopment area which is designated by an authority as eligible for the imposition of an occupation tax or (b) not within a community redevelopment area as may be designated under section 18-2142.04;

(23) Employee means a person employed at a business as a result of a redevelopment project;

(24) Employer-provided health benefit means any item paid for by the employer in total or in part that aids in the cost of health care services, including, but not limited to, health insurance, health savings accounts, and employer reimbursement of health care costs;

(25) Equivalent employees means the number of employees computed by (a) dividing the total hours to be paid in a year by (b) the product of forty times the number of weeks in a year;

(26) Business means any private business located in an enhanced employment area;

(27) New investment means the value of improvements to real estate made in an enhanced employment area by a developer or a business;

(28) Number of new employees means the number of equivalent employees that are employed at a business as a result of the redevelopment project during a year that are in excess of the number

of equivalent employees during the year immediately prior to the year that a redevelopment plan is adopted; and

(29) Occupation tax means a tax imposed under section 18-2142.02.

Source: Laws 1951, c. 224, § 3, p. 797; R.R.S.1943, § 14-1603; Laws 1957, c. 52, § 4, p. 249; Laws 1961, c. 61, § 3, p. 227; R.R.S.1943, § 19-2603; Laws 1965, c. 74, § 3, p. 303; Laws 1969, c. 106, § 2, p. 488; Laws 1973, LB 299, § 3; Laws 1979, LB 158, § 2; Laws 1980, LB 986, § 2; Laws 1984, LB 1084, § 2; Laws 1993, LB 121, § 143; Laws 1997, LB 875, § 5; Laws 2007, LB562, § 2; Laws 2012, LB729, § 1; Laws 2013, LB66, § 2; Laws 2014, LB1012, § 1.

18-2103.01. Repealed. Laws 1969, c. 257, § 44.

18-2103.02. Acquisition of housing property; relocation of persons displaced.

When any property consisting of housing is acquired for redevelopment by the authority, the authority shall provide for relocation of any persons displaced as a result thereof.

Source: Laws 1965, c. 74, § 5, p. 306.

18-2104. Exercise of powers; objective.

The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of sections 18-2101 to 18-2144, shall afford maximum opportunity, consistent with the sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under sections 18-2101 to 18-2144, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations, relating to the use of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the providing of necessary public improvements.

Source: Laws 1951, c. 224, § 4(1), p. 800; R.R.S.1943, § 14-1604; Laws 1957, c. 52, § 5, p. 252; Laws 1961, c. 61, § 4, p. 230; R.R.S.1943, § 19-2604.

18-2105. Formulation of workable program; disaster assistance; effect.

The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of

substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof.

Notwithstanding any other provisions of the Community Development Law, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the state has certified the need for disaster assistance under federal law, the local governing body may approve a redevelopment plan and a redevelopment project with respect to such area without regard to the provisions of the Community Development Law requiring a general plan for the municipality and notice and public hearing or findings other than herein set forth.

Source: Laws 1951, c. 224, § 4(2), p. 800; R.R.S.1943, § 14-1605; Laws 1957, c. 52, § 6, p. 253; Laws 1961, c. 61, § 5, p. 231; R.R.S.1943, § 19-2605; Laws 1997, LB 875, § 6.

Annotations

- The Community Development Law gives local governing bodies the discretion to remove blighted designations as they see fit to best serve the sound needs of the community. *Prime Realty Dev., Inc. v. City of Omaha*, 258 Neb. 72, 602 N.W.2d 13 (1999).

18-2106. Authority; member or employee; interest in project or property; restriction; disclosure.

No member or employee of an authority shall voluntarily acquire any interest, direct or indirect, in any redevelopment project or in any property included or planned by the authority to be included in any such project, or in any contract or proposed contract in connection with any such project. Where the acquisition is not voluntary, such member or employee shall immediately disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority. If any member or employee of an authority presently owns or controls or owned or controlled within the preceding two years an interest, direct or indirect, in any property included or planned by the authority to be included in any redevelopment project, he immediately shall disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such member or employee of an authority shall not participate in any action by the authority affecting such property.

Source: Laws 1951, c. 224, § 4(3), p. 801; R.R.S.1943, § 14-1606; R.R.S.1943, § 19-2606.

18-2107. Authority; powers and duties.

An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Community Development Law and sections 18-2147 to 18-2151, including the power:

(1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations not inconsistent with the Community Development Law;

(2) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation;

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a redevelopment project; and, notwithstanding anything to the contrary contained in the Community Development Law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project provisions to fulfill such federally imposed conditions as it may deem reasonable and appropriate;

(4) Within its area of operation, to purchase, lease, obtain options upon, or acquire by gift, grant, bequest, devise, eminent domain, or otherwise any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear, or prepare for redevelopment any such property; to sell, lease for a term not exceeding ninety-nine years, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard and blighted areas or to effectuate the purposes of the Community Development Law; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money, issue bonds, and provide security for loans or bonds; to establish a revolving loan fund; to insure or provide for the insurance of any real or personal property or the operation of the authority against any risks or hazards, including the power to pay premiums on any such insurance; to enter into any contracts necessary to effectuate the purposes of the Community Development Law; and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan. No statutory provision with respect to the acquisition, clearance, or disposition of property by other public bodies shall restrict an authority exercising powers hereunder, in such functions, unless the Legislature shall specifically so state;

(5) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement in property or securities in which savings banks or other banks may legally invest funds subject to their control; and to redeem its bonds at the redemption price

established therein or to purchase its bonds at less than redemption price, and such bonds redeemed or purchased shall be canceled;

(6) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, from the state, county, municipality, or other public body, or from any sources, public or private, including charitable funds, foundations, corporations, trusts, or bequests, for purposes of the Community Development Law, to give such security as may be required, and to enter into and carry out contracts in connection therewith; and notwithstanding any other provision of law, to include in any contract for financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of the Community Development Law;

(7) Acting through one or more members of an authority or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority or excused from attendance; and to make available to appropriate agencies or public officials, including those charged with the duty of abating or requiring the correction of nuisances or like conditions, demolishing unsafe or insanitary structures, or eliminating conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals, or welfare;

(8) Within its area of operation, to make or have made all surveys, appraisals, studies, and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of the Community Development Law and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of such surveys, appraisals, studies, and plans;

(9) To prepare plans and provide reasonable assistance for the relocation of families, business concerns, and others displaced from a redevelopment project area to permit the carrying out of the redevelopment project to the extent essential for acquiring possession of and clearing such area or parts thereof; and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;

(10) To make such expenditures as may be necessary to carry out the purposes of the Community Development Law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(11) To certify on or before September 20 of each year to the governing body of the city the amount of tax to be levied for the succeeding fiscal year for community redevelopment purposes, not to exceed two and six-tenths cents on each one hundred dollars upon the taxable value of the taxable property in such city, which levy is subject to allocation under section 77-3443 on and

after July 1, 1998. The governing body shall levy and collect the taxes so certified at the same time and in the same manner as other city taxes are levied and collected, and the proceeds of such taxes, when due and as collected, shall be set aside and deposited in the special account or accounts in which other revenue of the authority is deposited. Such proceeds shall be employed to assist in the defraying of any expenses of redevelopment plans and projects, including the payment of principal and interest on any bonds issued to pay the costs of any such plans and projects;

(12) To exercise all or any part or combination of powers granted in this section;

(13) To plan, undertake, and carry out neighborhood development programs consisting of redevelopment project undertakings and activities in one or more community redevelopment areas which are planned and carried out on the basis of annual increments in accordance with the Community Development Law and sections 18-2145 and 18-2146 for planning and carrying out redevelopment projects;

(14) To agree with the governing body of the city for the imposition of an occupation tax for an enhanced employment area; and

(15) To demolish any structure determined by the governing body of the city to be unsafe or unfit for human occupancy in accordance with section 18-1722.01.

Source: Laws 1951, c. 224, § 5, p. 801; R.R.S.1943, § 14-1607; Laws 1957, c. 52, § 7, p. 253; Laws 1961, c. 61, § 6, p. 232; R.R.S.1943, § 19-2607; Laws 1969, c. 106, § 3, p. 491; Laws 1979, LB 158, § 3; Laws 1979, LB 187, § 79; Laws 1980, LB 986, § 3; Laws 1985, LB 52, § 1; Laws 1992, LB 1063, § 11; Laws 1992, Second Spec. Sess., LB 1, § 11; Laws 1993, LB 734, § 28; Laws 1995, LB 452, § 5; Laws 1997, LB 269, § 20; Laws 1997, LB 875, § 7; Laws 2007, LB562, § 3; Laws 2012, LB729, § 2.

Annotations

- The taking of substandard or blighted areas by a city for redevelopment and resale in accordance with an approved redevelopment plan which is in conformity with a general plan for the municipality as a whole as provided for in these sections, is a proper public use for a municipality. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

18-2108. Real estate; acquisition; requirement.

An authority shall not acquire real property for a redevelopment project unless the governing body of the city in which the redevelopment project area is located has approved the redevelopment plan, as prescribed in section 18-2116.

Source: Laws 1951, c. 224, § 6(1), p. 804; R.R.S.1943, § 14-1608; R.R.S.1943, § 19-2608.

18-2109. Redevelopment plan; preparation; requirements.

An authority shall not prepare a redevelopment plan for a redevelopment project area unless the governing body of the city in which such area is located has, by resolution adopted after a public hearing with notice provided as specified in section 18-2115, declared such area to be a

substandard and blighted area in need of redevelopment. The governing body of the city shall submit the question of whether an area is substandard and blighted to the planning commission or board of the city for its review and recommendation prior to making its declaration. The planning commission or board shall submit its written recommendations within thirty days after receipt of the request. Upon receipt of the recommendations or after thirty days if no recommendation is received, the governing body may make its declaration.

Source: Laws 1951, c. 224, § 6(2), p. 805; R.R.S.1943, § 14-1609; Laws 1957, c. 52, § 8, p. 257; Laws 1961, c. 61, § 7, p. 236; R.R.S.1943, § 19-2609; Laws 1997, LB 875, § 8.

18-2110. Plan; recommendation; requirement.

An authority shall not recommend a redevelopment plan to the governing body of the city in which the redevelopment project area is located until a general plan for the development of the city has been prepared.

Source: Laws 1951, c. 224, § 6(3), p. 805; R.R.S.1943, § 14-1610; R.R.S.1943, § 19-2610.

18-2111. Plan; who may prepare; contents.

The authority may itself prepare or cause to be prepared a redevelopment plan or any person or agency, public or private, may submit such a plan to an authority. A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area, and shall include without being limited to: (1) The boundaries of the redevelopment project area, with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment. Any redevelopment plan may include a proposal for the designation of an enhanced employment area.

Source: Laws 1951, c. 224, § 6(4), p. 805; R.R.S.1943, § 14-1611; R.R.S.1943, § 19-2611; Laws 2007, LB562, § 4.

18-2112. Plan; submit to planning commission or board; recommendations.

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall submit such plan to the planning commission or board of the city in which the redevelopment project area is located for review and recommendations as to its conformity with the general plan for the development of the city as a whole. The planning commission or board shall submit its written recommendations with respect to the proposed redevelopment plan to the authority within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission or board or, if no recommendations are received within such thirty days,

then without such recommendations, an authority may recommend the redevelopment plan to the governing body of the city for approval.

Source: Laws 1951, c. 224, § 6(5), p. 805; R.R.S.1943, § 14-1612; Laws 1961, c. 61, § 8, p. 236; R.R.S.1943, § 19-2612.

18-2113. Plan; considerations; cost-benefit analysis.

(1) Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

(2) The authority shall conduct a cost-benefit analysis for each redevelopment project whose redevelopment plan includes the use of funds authorized by section 18-2147. In conducting the cost-benefit analysis, the authority shall use a cost-benefit model developed for use by local projects. Any cost-benefit model used by the authority shall consider and analyze the following factors:

- (a) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147;
- (b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;
- (c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;
- (d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and
- (e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

Source: Laws 1951, c. 224, § 6(6), p. 806; R.R.S.1943, § 14-1613; Laws 1957, c. 52, § 9, p. 257; R.R.S.1943, § 19-2613; Laws 1997, LB 875, § 9; Laws 1999, LB 774, § 1.

18-2114. Plan; recommendations to governing body; statements required.

The recommendation of a redevelopment plan by an authority to the governing body shall be accompanied by the recommendations, if any, of the planning commission or board concerning the redevelopment plan; a statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment of the redevelopment project area and the estimated proceeds or revenue from its disposal to redevelopers; a statement of the proposed method of financing the redevelopment project; and a statement of a feasible method proposed for the relocation of families to be displaced from the redevelopment project area.

Source: Laws 1951, c. 224, § 6(7), p. 806; R.R.S.1943, § 14-1614; Laws 1961, c. 61, § 9, p. 236; R.R.S.1943, § 19-2614.

18-2115. Plan; public hearing; notice.

(1) The governing body of the city shall hold a public hearing on any redevelopment plan or substantial modification thereof recommended by the authority, after reasonable public notice thereof by publication at least once a week for two consecutive weeks in a legal newspaper of general circulation in the community, the time of the hearing to be at least ten days from the last publication. The notice shall describe the time, date, place, and purpose of the hearing and shall specifically identify the area to be redeveloped under the plan. All interested parties shall be afforded at such public hearing a reasonable opportunity to express their views respecting the proposed redevelopment plan.

(2) Except as provided in subsection (3) of this section, the governing body of the city or such other division of the city or person as the governing body shall designate shall, at least ten days prior to the public hearing required by subsection (1) of this section, provide notice of the hearing to each registered neighborhood association whose area of representation is located in whole or in part within a one-mile radius of the area to be redeveloped in the manner requested by the association and mail notice of the hearing by first-class United States mail, postage prepaid, or by certified mail to the president or chairperson of the governing body of each county, school district, community college, educational service unit, and natural resources district in which the real property subject to such plan or major modification is located and whose property tax receipts would be directly affected. The notice shall set out the time, date, place, and purpose of the hearing and shall include a map of sufficient size to show the area to be redeveloped.

(3) If the planning board or planning commission of the city will conduct a public hearing on the redevelopment plan or substantial modification thereof, the governing body of the city or such other division of the city or person as the governing body shall designate shall, at least ten days prior to the public hearing, provide notice of the hearing to each registered neighborhood association whose area of representation is located in whole or in part within a one-mile radius of the area to be redeveloped in the manner requested by the association and mail notice of the hearing by first-class United States mail, postage prepaid, or by certified mail to the president or chairperson of the governing body of each county, school district, community college, educational service unit, and natural resources district in which the real property subject to such plan or major modification is located and whose property tax receipts would be directly affected. The notice shall

set out the time, date, place, and purpose of the hearing and shall include a map of sufficient size to show the area to be redeveloped. If the registered neighborhood association has been given notice of the public hearing to be held by the planning board or planning commission in conformity with the provisions of this subsection, the governing body or its designee shall not be required to comply with the notice requirements of subsection (2) of this section.

(4) Each neighborhood association desiring to receive notice of any hearing as provided in this section shall register with the city's planning department or, if there is no planning department, with the city clerk. The registration shall include a description of the area of representation of the association, the name of and contact information for the individual designated by the association to receive the notice on its behalf, and the requested manner of service, whether by email or regular, certified, or registered mail. Registration of the neighborhood association for the purposes of this section shall be accomplished in accordance with such other rules and regulations as may be adopted and promulgated by the city.

Source: Laws 1951, c. 224, § 6(8), p. 807; R.R.S.1943, § 14-1615; Laws 1957, c. 52, § 10, p. 258; R.R.S.1943, § 19-2615; Laws 1995, LB 140, § 1; Laws 1997, LB 875, § 10; Laws 2014, LB679, § 2.

18-2116. Plan; approval; findings.

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

(2) In connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least (a) two new employees and new investment of one hundred twenty-five thousand dollars in counties with fewer than fifteen thousand inhabitants, (b) five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new employees and new investment of five hundred thousand dollars in counties with at least twenty-five thousand inhabitants but fewer than fifty thousand inhabitants, (d) fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants, (e) twenty new employees and new investment of one million five hundred thousand dollars in counties with at least one hundred thousand inhabitants but fewer than two hundred thousand inhabitants, (f) twenty-five new employees and new investment of two million dollars in counties with at least two hundred thousand inhabitants but fewer than four hundred thousand inhabitants,

or (g) thirty new employees and new investment of three million dollars in counties with at least four hundred thousand inhabitants. Any business that has one hundred thirty-five thousand square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. In making such determination, the governing body may rely upon written undertakings provided by any redeveloper in connection with application for approval of the redevelopment plan.

Source: Laws 1951, c. 224, § 6(9), p. 807; R.R.S.1943, § 14-1616; Laws 1957, c. 52, § 11, p. 258; R.R.S.1943, § 19-2616; Laws 1997, LB 875, § 11; Laws 2007, LB562, § 5.

18-2117. Plan; modification; conditions.

A redevelopment plan which has not been approved by the governing body when recommended by the authority may again be recommended to it with any modifications deemed advisable. A redevelopment plan may be modified at any time by the authority; Provided, that if modified after the lease or sale of real property in the redevelopment project area, the modification must be consented to by the redeveloper or redevelopers of such real property or his successor, or their successors, in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body.

Source: Laws 1951, c. 224, § 6(10), p. 807; R.R.S.1943, § 14-1617; R.R.S.1943, § 19-2617.

18-2117.01. Plan; report to Property Tax Administrator; contents; compilation of data.

(1) On or before December 1 each year, each city which has approved one or more redevelopment plans which are financed in whole or in part through the use of tax-increment financing as provided in section 18-2147 shall provide a report to the Property Tax Administrator on each such redevelopment plan which includes the following information:

(a) A copy of the redevelopment plan and any amendments thereto if they have not been previously filed, including the date upon which the redevelopment plan was approved, the effective date for dividing the ad valorem tax as provided to the county assessor pursuant to subsection (3) of section 18-2147, and the location and boundaries of the property in the redevelopment project; and

(b) A short narrative description of the type of development undertaken by the city or village with the financing and the type of business or commercial activity locating within the redevelopment project area as a result of the redevelopment project.

(2) The Property Tax Administrator shall compile a report for each active redevelopment project, based upon information provided by the cities pursuant to subsection (1) of this section and information reported by the county assessor or county clerk on the certificate of taxes levied pursuant to section 77-1613.01. Each report shall be electronically transmitted to the Clerk of the Legislature not later than March 1 each year. The report may include any recommendations of the Property Tax Administrator as to what other information should be included in the report from the

cities so as to facilitate analysis of the uses, purposes, and effectiveness of tax-increment financing and the process for its implementation or to streamline the reporting process provided for in this section to eliminate unnecessary paperwork.

Source: Laws 1997, LB 875, § 12; Laws 1999, LB 774, § 2; Laws 2006, LB 808, § 1; Laws 2012, LB782, § 19.

18-2118. Real estate; sell; lease; transfer; terms.

An authority may sell, lease for a term not exceeding ninety-nine years, exchange, or otherwise transfer real property or any interest therein in a redevelopment project area to any redeveloper for residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or for public use in accordance with the redevelopment plan, subject to such covenants, conditions, and restrictions as it may deem to be in the public interest or to carry out the purposes of the Community Development Law. Such real property shall be sold, leased, or transferred at its fair value for uses in accordance with the redevelopment plan. In determining the fair value of real property for uses in accordance with the redevelopment plan, an authority shall take into account and give consideration to the uses and purposes required by such plan; the restrictions upon, and the covenants, conditions, and obligations assumed by the redeveloper of such property; the objectives of the redevelopment plan for the prevention of the recurrence of substandard and blighted areas; and such other matters as the authority shall specify as being appropriate. In fixing rentals and selling prices, an authority shall give consideration to appraisals of the property for such uses made by land experts employed by the authority.

Source: Laws 1951, c. 224, § 7(1), p. 808; R.R.S.1943, § 14-1618; Laws 1957, c. 52, § 12, p. 258; Laws 1961, c. 61, § 10, p. 237; R.R.S.1943, § 19-2618; Laws 1979, LB 158, § 4; Laws 1997, LB 875, § 13.

18-2119. Redevelopment contract proposal; notice; considerations; acceptance; disposal of real property; contract relating to real estate within an enhanced employment area; recordation.

(1) An authority shall, by public notice by publication once each week for two consecutive weeks in a legal newspaper having a general circulation in the city, prior to the consideration of any redevelopment contract proposal relating to real estate owned or to be owned by the authority, invite proposals from, and make available all pertinent information to, private redevelopers or any persons interested in undertaking the redevelopment of an area, or any part thereof, which the governing body has declared to be in need of redevelopment. Such notice shall identify the area, and shall state that such further information as is available may be obtained at the office of the authority. The authority shall consider all redevelopment proposals and the financial and legal ability of the prospective redevelopers to carry out their proposals and may negotiate with any redevelopers for proposals for the purchase or lease of any real property in the redevelopment project area. The authority may accept such redevelopment contract proposal as it deems to be in the public interest and in furtherance of the purposes of the Community Development Law if the authority has, not less than thirty days prior thereto, notified the governing body in writing of its intention to accept such redevelopment contract proposal. Thereafter, the authority may execute such redevelopment contract in accordance with the provisions of section 18-2118 and deliver

deeds, leases, and other instruments and take all steps necessary to effectuate such redevelopment contract. In its discretion, the authority may, without regard to the foregoing provisions of this section, dispose of real property in a redevelopment project area to private redevelopers for redevelopment under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of section 18-2118.

(2) In the case of any real estate owned by a redeveloper, the authority may enter into a redevelopment contract providing for such undertakings as the authority shall determine appropriate. Any such redevelopment contract relating to real estate within an enhanced employment area shall include a statement of the redeveloper's consent with respect to the designation of the area as an enhanced employment area, shall be recorded with respect to the real estate owned by the redeveloper, and shall be binding upon all future owners of such real estate.

Source: Laws 1951, c. 224, § 7(2), p. 809; R.R.S.1943, § 14-1619; R.R.S.1943, § 19-2619; Laws 2007, LB562, § 6.

18-2120. Project; conveyance of property for public use.

In carrying out a redevelopment project, an authority may: (1) Convey to the city in which the project is located, such real property as, in accordance with the redevelopment plan, is to be laid out into streets, alleys, and public ways; (2) grant servitudes, easements, and rights-of-way, for public utilities, sewers, streets, and other similar facilities, in accordance with the redevelopment plan; and (3) convey to the municipality, county, or other appropriate public body, such real property as, in accordance with the redevelopment plan, is to be used for parks, schools, public buildings, facilities, or other public purposes.

Source: Laws 1951, c. 224, § 7(3), p. 809; R.R.S.1943, § 14-1620; R.R.S.1943, § 19-2620.

18-2121. Real property; temporary operation, when.

An authority may temporarily operate and maintain real property in a redevelopment project area pending the disposition of the property for redevelopment, without regard to the provisions of sections 18-2118 and 18-2119, for such uses and purposes as may be deemed desirable even though not in conformity with the redevelopment plan.

Source: Laws 1951, c. 224, § 7(4), p. 810; R.R.S.1943, § 14-1621; R.R.S.1943, § 19-2621.

18-2122. Real property; eminent domain; effect of resolution.

An authority shall have the right to acquire by the exercise of the power of eminent domain any real property which it may deem necessary for a redevelopment project or for its purposes under the provisions of sections 18-2101 to 18-2144 after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. The procedure to condemn property shall be exercised in the manner set forth in sections 76-704 to 76-724.

When an authority has found and determined by resolution that certain real property described therein is necessary for a redevelopment project or for its purposes under the provisions of sections 18-2101 to 18-2144, the resolution shall be conclusive evidence that the acquisition of such real property is necessary for the purposes described therein.

Source: Laws 1951, c. 224, § 8, p. 810; R.R.S.1943, § 14-1622; Laws 1961, c. 61, § 11, p. 237; R.R.S.1943, § 19-2622.

Annotations

- The taking of substandard or blighted areas by a city for redevelopment and resale in accordance with an approved redevelopment plan which is in conformity with a general plan for the municipality as a whole as provided for in these sections, is a proper public use for a municipality. *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979).

18-2123. Undeveloped vacant land; land outside city; acquisition, when.

Upon a determination, by resolution, of the governing body of the city in which such land is located, that the acquisition and development of undeveloped vacant land, not within a substandard or blighted area, is essential to the proper clearance or redevelopment of substandard or blighted areas or a necessary part of the general community redevelopment program of the city, or that the acquisition and development of land outside the city, but within a radius of three miles thereof, is necessary or convenient to the proper clearance or redevelopment of one or more substandard or blighted areas within the city or is a necessary adjunct to the general community redevelopment program of the city, the acquisition, planning, and preparation for development or disposal of such land shall constitute a redevelopment project which may be undertaken by the authority in the manner provided in the foregoing sections.

Source: Laws 1951, c. 224, § 9, p. 810; R.R.S.1943, § 14-1623; Laws 1957, c. 52, § 13, p. 259; Laws 1961, c. 61, § 12, p. 238; R.R.S.1943, § 19-2623.

18-2123.01. Redevelopment project with property outside corporate limits; formerly used defense site; agreement with county authorized.

(1) Notwithstanding any other provisions of the Community Development Law to the contrary, a city may undertake a redevelopment project that includes real property located outside the corporate limits of such city if the following requirements have been met:

(a) The real property located outside the corporate limits of the city is a formerly used defense site;

(b) The formerly used defense site is located within the same county as the city approving such redevelopment project;

(c) The formerly used defense site is located within a sanitary and improvement district;

(d) The governing body of the city approving such redevelopment project passes an ordinance stating such city's intent to annex the formerly used defense site in the future; and

(e) The redevelopment project has been consented to by any city exercising extraterritorial jurisdiction over the formerly used defense site.

(2) For purposes of this section, formerly used defense site means real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the United States Secretary of Defense. Formerly used defense site does not include missile silos.

(3) The inclusion of a formerly used defense site in any redevelopment project under this section shall not result in:

(a) Any change in the service area of any electric utility or natural gas utility unless such change has been agreed to by the electric utility or natural gas utility serving the formerly used defense site at the time of approval of such redevelopment project; or

(b) Any change in the service area of any communications company as defined in section 77-2734.04 unless (i) such change has been agreed to by the communications company serving the formerly used defense site at the time of approval of such redevelopment project or (ii) such change occurs pursuant to sections 86-135 to 86-138.

(4) A city approving a redevelopment project under this section and the county in which the formerly used defense site is located may enter into an agreement pursuant to the Interlocal Cooperation Act in which the county agrees to reimburse such city for any services the city provides to the formerly used defense site after approval of the redevelopment project.

Source: Laws 2013, LB66, § 3.

Cross References

- **Interlocal Cooperation Act**, see section 13-801.

18-2124. Bonds; issuance; sources of payment; limitations.

An authority may issue bonds from time to time in its discretion for any of its corporate purposes, including the payment of principal and interest upon any advances for surveys and plans for redevelopment projects. An authority may also issue refunding bonds for the purpose of paying, retiring, or otherwise refinancing or in exchange for any or all of the principal or interest upon bonds previously issued by the authority. An authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds on which the principal and interest are payable: (1) Exclusively from the income, proceeds, and revenue of the redevelopment project financed with proceeds of such bonds; (2) exclusively from the income, proceeds, and revenue of any of its redevelopment projects whether or not they are financed in whole or in part with the proceeds of such bonds; (3) exclusively from its revenue and income,

including any special assessment levied pursuant to section 18-1722 and such tax revenue or receipts as may be herein authorized, including those which may be pledged under section 18-2150, and from such grants and loans as may be received; or (4) from all or part of the income, proceeds, and revenue enumerated in subdivisions (1), (2), and (3) of this section. Any such bonds may be additionally secured by a pledge of any loan, grant, or contributions, or parts thereof, from the federal government or other source or a mortgage of any redevelopment project or projects of the authority. The authority shall not pledge the credit or taxing power of the state or any political subdivision thereof, except such tax receipts as may be authorized under this section or pledged under section 18-2150, or place any lien or encumbrance on any property owned by the state, county, or city used by the authority.

Source: Laws 1951, c. 224, § 10(1), p. 811; R.R.S.1943, § 14-1624; Laws 1961, c. 61, § 13, p. 238; R.R.S.1943, § 19-2624; Laws 1979, LB 158, § 5; Laws 2012, LB729, § 3.

18-2125. Bonds; liability; exempt from taxation; anticipation notes; renewal notes; terms; declaration of intent.

Neither the members of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of the authority, and such bonds and obligations shall so state on their face, shall not be a debt of the city and the city shall not be liable on such bonds, except to the extent authorized by sections 18-2147 to 18-2150, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority acquired for the purposes of sections 18-2101 to 18-2144, except to the extent authorized by sections 18-2147 to 18-2150. Except to the extent otherwise authorized, the bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from all taxes. All bonds shall be general obligations of the authority issuing same and shall be payable out of any revenue, income, receipts, proceeds, or other money of the authority, except as may be otherwise provided in the instruments themselves.

An authority shall have power from time to time to issue bond anticipation notes, referred to as notes herein, and from time to time to issue renewal notes, such notes in any case to mature not later than thirty months from the date of incurring the indebtedness represented thereby in an amount not exceeding in the aggregate at any time outstanding the amount of bonds then or theretofore authorized. Payment of such notes shall be made from any money or revenue which the authority may have available for such purpose or from the proceeds of the sale of bonds of the authority, or such notes may be exchanged for a like amount of such bonds. The authority may pledge such money or revenue of the authority, subject to prior pledges thereof, if any, for the payment of such notes, and may in addition secure the notes in the same manner as herein provided for bonds. All notes shall be issued and sold in the same manner as bonds, and any authority shall have power to make contracts for the future sale from time to time of notes on terms and conditions stated in such contracts, and the authority shall have power to pay such consideration as it shall deem proper for any commitments to purchase notes and bonds in the future. Such notes shall also be collaterally secured by pledges and deposits with a bank or trust company, in trust for the payment of such notes, of bonds in an aggregate amount at least equal to the amount of such notes

and, in any event, in an amount deemed by the issuing authority sufficient to provide for the payment of the notes in full at the maturity thereof. The authority may provide in the collateral agreement that the notes may be exchanged for bonds held as collateral security for the notes, or that the trustee may sell the bonds if the notes are not otherwise paid at maturity, and apply the proceeds of such sale to the payment of the notes. Such notes shall bear interest at a rate set by the authority, and shall be sold at such price as shall cause an interest cost thereon not to exceed such rate.

It is the intention hereof that any pledge of revenue, income, receipts, proceeds, or other money made by an authority for the payment of bonds or notes shall be valid and binding from the time such pledge is made; that the revenue, income, receipts, proceeds, and other money so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without the physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Source: Laws 1951, c. 224, § 10(2), p. 811; R.R.S.1943, § 14-1625; Laws 1961, c. 61, § 14, p. 239; R.R.S.1943, § 19-2625; Laws 1969, c. 51, § 70, p. 317; Laws 1979, LB 158, § 6.

18-2126. Bonds; terms.

Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture, or mortgage may provide.

Source: Laws 1951, c. 224, § 10(3), p. 812; R.R.S.1943, § 14-1626; R.R.S.1943, § 19-2626; Laws 1969, c. 51, § 71, p. 319.

18-2127. Bonds; sale.

The bonds may be sold by the authority in such manner and for such price as the authority may determine, at par or above par, at private sale or at public sale after notice published prior to such sale in a legal newspaper having general circulation in the municipality, or in such other medium of publication as the authority may deem appropriate, or may be exchanged by the authority for other bonds issued by it under sections 18-2101 to 18-2144 and 18-2147 to 18-2151. Bonds which are issued under this section may be sold by the authority to the federal government at private sale at par or above par, and, in the event that less than all of the authorized principal amount of such bonds is sold by the authority to the federal government, the balance or any portion of the balance may be sold by the authority at private sale at par or above par.

Source: Laws 1951, c. 224, § 10(4), p. 812; R.R.S.1943, § 14-1627; R.R.S.1943, § 19-2627; Laws 1979, LB 158, § 7.

18-2128. Bonds; signatures; validity.

In case any of the members or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such members or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such members or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to the provisions of section 18-2124 shall be fully negotiable.

Source: Laws 1951, c. 224, § 10(5), p. 812; R.R.S.1943, § 14-1628; R.R.S.1943, § 19-2628.

18-2129. Bonds; actions; effect.

In any suit, action, or proceedings involving the validity or enforceability of any bond of an authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a redevelopment project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 18-2101 to 18-2144.

Source: Laws 1951, c. 224, § 10(6), p. 813; R.R.S.1943, § 14-1629; R.R.S.1943, § 19-2629.

18-2130. Bonds; authority; powers.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds or obligations, an authority, in addition to its other powers, shall have power: (1) To pledge all or any part of its gross or net rents, fees, or revenue to which its right then exists or may thereafter come into existence; (2) to mortgage all or any part of its real or personal property, then owned or thereafter acquired; (3) to covenant against pledging all or any part of its rents, fees, and revenue, or against mortgaging all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence, or against permitting or suffering any lien on such revenue or property; to covenant with respect to limitations on its right to sell, lease, or otherwise dispose of any redevelopment project, or any part thereof; and to covenant as to what other or additional debts or obligations may be incurred by it; (4) to covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed, or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon; and to covenant for the redemption of the bonds and to provide the terms and conditions thereof; (5) to covenant, subject to the limitations contained in the Community Development Law, as to the amount of revenue to be raised each year or other period of time by rents, fees, and other revenue, and as to the use and disposition to be made thereof; to establish or to authorize the establishment of special funds for money held for operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the money held in such funds; (6) to prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; (7) to covenant as to the use,

maintenance, and replacement of any or all of its real or personal property, the insurance to be carried thereon, and the use and disposition of insurance money, and to warrant its title to such property; (8) to covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenants, conditions, or obligations; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived; (9) to vest in any obligees of the authority the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in any obligee or obligees holding a specified amount in bonds the right, in the event of a default by the authority, to take possession of and use, operate, and manage any redevelopment project or any part thereof, title to which is in the authority, or any funds connected therewith, and to collect the rents and revenue arising therefrom and to dispose of such money in accordance with the agreement of the authority with such obligees; to provide for the powers and duties of such obligees and to limit the liabilities thereof; and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds; (10) to pledge all of the revenue from any occupation tax received or to be received with respect to any enhanced employment area; and (11) to exercise all or any part or combination of the powers herein granted; to make such covenants, other than and in addition to the covenants herein expressly authorized, and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of the authority, as will tend to make the bonds more marketable notwithstanding that such covenants, acts, or things may not be enumerated herein.

Source: Laws 1951, c. 224, § 11(1), p. 813; R.R.S.1943, § 14-1630; R.R.S.1943, § 19-2630; Laws 2007, LB562, § 7.

18-2131. Bonds; default; causes of action.

An authority will have power by its resolution, trust indenture, mortgage, lease, or other contract to confer upon any obligee holding or representing a specified amount in bonds, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instruments, by suit, action, or proceeding in any court of competent jurisdiction: (1) To cause possession of any redevelopment project or any part thereof, title to which is in the authority, to be surrendered to any such obligee; (2) to obtain the appointment of a receiver of any redevelopment project of said authority or any part thereof, title to which is in the authority, and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of, carry out, operate, and maintain such project or any part thereof and collect and receive all fees, rents, revenue, or other charges thereafter arising therefrom, and shall keep such money in a separate account or accounts and apply the same in accordance with the obligations of said authority as the court shall direct; and (3) to require the authority and the members, officers, agents, and employees thereof to account as if it and they were the trustees of an express trust.

Source: Laws 1951, c. 224, § 11(2), p. 815; R.R.S.1943, § 14-1631; R.R.S.1943, § 19-2631.

18-2132. Repealed. Laws 2001, LB 420, § 38.

18-2133. Bonds; obligee; causes of action.

An obligee of an authority shall have the right in addition to all other rights which may be conferred upon such obligee, subject only to any contractual restrictions binding upon such obligee:

(1) By mandamus, suit, action, or proceeding at law or in equity to compel said authority and the members, officers, agents, or employees thereof to perform each and every term, provision, and covenant contained in any contract of said authority with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements to the authority and the fulfillment of all duties imposed upon the authority by the provisions of sections 18-2101 to 18-2144; and

(2) By suit, action, or proceeding in equity to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of the authority.

Source: Laws 1951, c. 224, § 13, p. 816; R.R.S.1943, § 14-1633; R.R.S.1943, § 19-2633.

18-2134. Bonds; who may purchase.

All public officers, municipal corporations, political subdivisions and public bodies; all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all executors, administrators, curators, trustees, and other fiduciaries may legally invest any sinking funds, money, or other funds belonging to them or within their control in any bonds or other obligations issued by an authority pursuant to sections 18-2101 to 18-2144 or by any public housing or redevelopment authority or commission, or agency or any other public body in the United States for redevelopment purposes, when such bonds and other obligations are secured by an agreement between the issuing agency and the federal government in which the issuing agency agrees to borrow from the federal government and the federal government agrees to lend to the issuing agency, prior to the maturity of such bonds or other obligations, money in an amount which, together with any other money irrevocably committed to the payment of interest on such bonds or other obligations, will suffice to pay the principal of such bonds or other obligations with interest to maturity thereon, which money under the terms of the agreement is required to be used for the purpose of paying the principal of and the interest on such bonds or other obligations at their maturity, and such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions, and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. However, nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in the selection of securities.

Source: Laws 1951, c. 224, § 14, p. 816; R.R.S.1943, § 14-1634; R.R.S.1943, § 19-2634.

18-2135. Federal government; contract for financial assistance; default; effect of cure.

In any contract for financial assistance with the federal government the authority may obligate itself, which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws, to convey to the federal government possession of or title to the redevelopment project and land therein to which such contract relates which is owned by the authority, upon the occurrence of a substantial default, as defined in such contract, with respect to the covenants or conditions to which the authority is subject; such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the redevelopment project in accordance with the terms of such contract; **Provided**, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the redevelopment project have been cured and that the redevelopment project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the authority the redevelopment project as then constituted.

Source: Laws 1951, c. 224, § 15, p. 817; R.R.S.1943, § 14-1635; R.R.S.1943, § 19-2635.

18-2136. Property; exempt from execution.

All property including funds of an authority shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall judgment against an authority be a charge or lien upon its property; **Provided**, that the provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of an authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an authority on its rents, fees, grants, or revenue.

Source: Laws 1951, c. 224, § 16(1), p. 817; R.R.S.1943, § 14-1636; R.R.S.1943, § 19-2636.

18-2137. Property; exempt from taxation; payments in lieu of taxes.

The property of an authority is declared to be public property used for essential public and governmental purposes and shall be exempt from all taxes. Whenever such authority shall purchase or acquire real property pursuant to sections 18-2101 to 18-2144, the authority shall annually, so long as it shall continue to own such property, pay out of its revenue to the State of Nebraska, county, city, township, school district or other taxing subdivision in which such real property is located, in lieu of taxes, a sum equal to the amount which such state, county, city, township, school district or other taxing subdivision received from taxation from such real property during the year immediately preceding the purchase or acquisition of such real property by the authority. The county board of equalization may, in any year subsequent to the purchase or acquisition of such property by the authority, determine the amount that said authority shall pay out of its revenue to the State of Nebraska and its several governmental subdivisions in lieu of taxes, which sum shall be as justice and equity may require, notwithstanding the amount which the state and its governmental subdivisions may have received from taxation during the year immediately preceding the purchase or acquisition of such property; **Provided**, that with respect to any property in a redevelopment project, the tax exemption provided herein shall terminate when the authority

sells, leases, or otherwise disposes of such property to a redeveloper for redevelopment. The members of the authority shall not incur any personal liability by reason of the making of such payments.

Source: Laws 1951, c. 224, § 16(2), p. 818; R.R.S.1943, § 14-1637; Laws 1957, c. 52, § 14, p. 260; R.R.S.1943, § 19-2637.

18-2138. Public body; cooperate in planning; powers.

In addition to any other provisions governing any public body set forth in sections 18-2101 to 18-2144 and 18-2147 to 18-2151, for the purpose of aiding and cooperating in the planning, undertaking, or carrying out of a redevelopment project located within the area in which it is authorized to act, any public body may, upon such terms, with or without consideration, as it may determine: (1) Dedicate, sell, convey, or lease any of its interest in any property, or grant easements, licenses, or any other rights or privileges therein to an authority; (2) cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project; (3) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, sidewalks, ways, or other places, which it is otherwise empowered to undertake; (4) plan or replan, zone or rezone any part of the public body, or make exceptions from building regulations and ordinances if such functions are of the character which the public body is otherwise empowered to perform; (5) cause administrative and other services to be furnished to the authority of the character which the public body is otherwise empowered to undertake or furnish for the same or other purposes; (6) incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section; (7) do any and all things necessary or convenient to aid and cooperate in the planning or carrying out of a redevelopment plan; (8) lend, grant, or contribute funds to an authority; (9) employ any funds belonging to or within the control of such public body, including funds derived from the sale or furnishing of property, service, or facilities to an authority, in the purchase of the bonds or other obligations of an authority and, as the holder of such bonds or other obligations, exercise the rights connected therewith; and (10) enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with an authority respecting action to be taken by such public body pursuant to any of the powers granted by the provisions of sections 18-2101 to 18-2144. If at any time title to, or possession of, any redevelopment project is held by any public body or governmental agency, other than the authority, authorized by law to engage in the undertaking, carrying out or administration of redevelopment projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

Source: Laws 1951, c. 224, § 17(1), p. 818; R.R.S.1943, § 14-1638; R.R.S.1943, § 19-2638; Laws 1979, LB 158, § 8.

18-2139. Public body; sale, conveyance, lease, or agreement; how made.

Any sale, conveyance, lease, or agreement provided for in section 18-2138 may be made by a public body without appraisal, public notice, advertisement, or public bidding.

Source: Laws 1951, c. 224, § 17(2), p. 819; R.R.S.1943, § 14-1639; R.R.S.1943, § 19-2639.

18-2140. Estimate of expenditures; cities; grant funds; levy taxes; issue bonds.

An authority may, at such time as it may deem necessary, file with the governing body an estimate of the amounts necessary to be appropriated by the governing body to defray the expense of the authority. The governing body of such city is hereby authorized, in its discretion, to appropriate from its general fund and to place at the disposal of the authority an amount sufficient to assist in defraying such expense. Any city located within the area of operation of an authority may grant funds to an authority for the purpose of aiding such authority in carrying out any of its powers and functions under the provisions of sections 18-2101 to 18-2144. To obtain funds for this purpose, the city may levy taxes and may issue and sell its bonds. Any bonds to be issued by the city pursuant to the provisions of this section shall be issued in the manner and within the limitations, except as otherwise provided by sections 18-2101 to 18-2144, prescribed by the laws of this state for the issuance and authorization of bonds by a city for any public purpose.

Source: Laws 1951, c. 224, § 18, p. 819; R.R.S.1943, § 14-1640; Laws 1961, c. 61, § 15, p. 241; R.R.S.1943, § 19-2640.

18-2141. Instrument of conveyance; execution; effect.

Any instrument executed by an authority and purporting to convey any right, title, or interest in any property under sections 18-2101 to 18-2144 shall be conclusive evidence of compliance with the provisions of sections 18-2101 to 18-2144 insofar as title or other interest of any bona fide purchasers, lessees, or other transferees of such property is concerned.

Source: Laws 1951, c. 224, § 19, p. 820; R.R.S.1943, § 14-1641; R.R.S.1943, § 19-2641.

18-2142. Repealed. Laws 1997, LB 875, § 21.

18-2142.01. Validity and enforceability of bonds and agreements; presumption.

(1) In any suit, action, or proceeding involving the validity or enforceability of any bond of a city, village, or authority or the security therefor brought after the lapse of thirty days after the issuance of such bonds has been authorized, any such bond reciting in substance that it has been authorized by the city, village, or authority to aid in financing a redevelopment project shall be conclusively deemed to have been authorized for such purpose and such redevelopment project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of the Community Development Law and sections 18-2145 to 18-2154.

(2) In any suit, action, or proceeding involving the validity or enforceability of any agreement of a city, village, or authority brought after the lapse of thirty days after the agreement has been formally entered into, any such agreement reciting in substance that it has been entered into by the city, village, or authority to provide financing for an approved redevelopment project shall be conclusively deemed to have been entered into for such purpose and such project shall be

conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of the Community Development Law and sections 18-2145 to 18-2154.

Source: Laws 1997, LB 875, § 16.

Annotations

- Subsection (2) of this section requires that a party wishing to challenge a contract that provides financing for an approved redevelopment project initiate any suit, action, or challenge within 30 days of the party's formally entering into the contract; after 30 days, the project shall be conclusively deemed to have complied with Nebraska's community development laws. *Community Dev. Agency v. PRP Holdings*, 277 Neb. 1015, 767 N.W.2d 68 (2009).

18-2142.02. Enhanced employment area; redevelopment project; levy of general business occupation tax authorized; governing body; powers; occupation tax; power to levy; exceptions.

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. After March 27, 2014, any occupation tax imposed pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance. Any such occupation tax agreed to by the authority and the city shall remain in effect so long as the authority has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

Source: Laws 2007, LB562, § 8; Laws 2014, LB474, § 6.

18-2142.03. Enhanced employment area; use of eminent domain prohibited.

Eminent domain shall not be used to acquire property that will be transferred to a private party in the enhanced employment area.

Source: Laws 2007, LB562, § 9.

18-2142.04. Enhanced employment area; authorized work within area; levy of general business occupation tax authorized; exceptions; governing body; powers; revenue bonds authorized; terms and conditions.

- (1) For purposes of this section:

(a) Authorized work means the performance of any one or more of the following purposes within an enhanced employment area designated pursuant to this section:

(i) The acquisition, construction, maintenance, and operation of public offstreet parking facilities for the benefit of the enhanced employment area;

(ii) Improvement of any public place or facility in the enhanced employment area, including landscaping, physical improvements for decoration or security purposes, and plantings;

(iii) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;

(iv) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the enhanced employment area;

(v) Creation and implementation of a plan for improving the general architectural design of public areas in the enhanced employment area;

(vi) The development of any public activities and promotion of public events, including the management, promotion, and advocacy of retail trade activities or other promotional activities, in the enhanced employment area;

(vii) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

(viii) Any other project or undertaking for the betterment of the public facilities in the enhanced employment area, whether the project is capital or noncapital in nature;

(ix) Enforcement of parking regulations and the provision of security within the enhanced employment area; or

(x) Employing or contracting for personnel, including administrators for any improvement program under the Community Development Law, and providing for any service as may be necessary or proper to carry out the purposes of the Community Development Law;

(b) Employee means a person employed at a business located within an enhanced employment area; and

(c) Number of new employees means the number of equivalent employees that are employed at a business located within an enhanced employment area designated pursuant to this section during a year that are in excess of the number of equivalent employees during the year immediately prior to the year the enhanced employment area was designated pursuant to this section.

(2) If an area is not blighted or substandard, a city may designate an area as an enhanced employment area if the governing body determines that new investment within such enhanced employment area will result in at least (a) two new employees and new investment of one hundred twenty-five thousand dollars in counties with fewer than fifteen thousand inhabitants, (b) five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new employees and new investment of five hundred thousand dollars in counties with at least twenty-five thousand inhabitants but fewer than fifty thousand inhabitants, (d) fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants, (e) twenty new employees and new investment of one million five hundred thousand dollars in counties with at least one hundred thousand inhabitants but fewer than two hundred thousand inhabitants, (f) twenty-five new employees and new investment of two million dollars in counties with at least two hundred thousand inhabitants but fewer than four hundred thousand inhabitants, or (g) thirty new employees and new investment of three million dollars in counties with at least four hundred thousand inhabitants. Any business that has one hundred thirty-five thousand square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. In making such determination, the governing body may rely upon written undertakings provided by any owner of property within such area.

(3) Upon designation of an enhanced employment area under this section, a city may levy a general business occupation tax upon the businesses and users of space within such enhanced employment area for the purpose of paying all or any part of the costs and expenses of authorized work within such enhanced employment area. After March 27, 2014, any occupation tax imposed pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance. Any occupation tax levied by the city under this section shall remain in effect so long as the city has bonds outstanding which have been issued under the authority of this section and are secured by such occupation tax or that state such occupation tax as an available source for payment. The total amount of occupation taxes levied shall not exceed the total costs and expenses of the authorized work including the total debt service requirements of any bonds the proceeds of which are expended for or allocated to such authorized work. The assessments or taxes levied must be specified by ordinance and the proceeds shall not be used for any purpose other than the making of such improvements and for the repayment of bonds issued in whole or in part for the financing of such improvements. The authority to levy the general business occupation tax contained in this section and the authority to issue bonds secured by or payable from such occupation tax shall be independent of and separate from any occupation tax referenced in section 18-2103.

(4) A city may issue revenue bonds for the purpose of defraying the cost of authorized work and to secure the payment of such bonds with the occupation tax revenue described in this section. Such revenue bonds may be issued in one or more series or issues where deemed advisable, and each such series or issue may contain different maturity dates, interest rates, priorities on revenue available for payment of such bonds and priorities on securities available for guaranteeing payment thereof, and such other differing terms and conditions as are deemed necessary. The following shall apply to any such bonds:

(a) Such bonds shall be limited obligations of the city. Bonds and interest on such bonds, issued under the authority of this section, shall not constitute nor give rise to a pecuniary liability of the city or a charge against its general credit or taxing powers. Such limitation shall be plainly stated upon the face of each of such bonds;

(b) Such bonds may (i) be executed and delivered at any time and from time to time, (ii) be in such form and denominations, (iii) be of such tenor, (iv) be payable in such installments and at such time or times not exceeding twenty years from their date, (v) be payable at such place or places, (vi) bear interest at such rate or rates, payable at such place or places, and evidenced in such manner, (vii) be redeemable prior to maturity, with or without premium, and (viii) contain such provisions as shall be deemed in the best interest of the city and provided for in the proceedings of the governing body under which the bonds shall be authorized to be issued;

(c) The authorization, terms, issuance, execution, or delivery of such bonds shall not be subject to sections 10-101 to 10-126; and

(d) Such bonds may be sold at public or private sale in such manner and at such time or times as may be determined by the governing body to be most advantageous. The city may pay all expenses, premiums, and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale, and issuance thereof from the proceeds or the sale of the bonds or from the revenue of the occupation tax described in this section.

Source: Laws 2007, LB562, § 10; Laws 2014, LB474, § 7.

18-2143. Sections, how construed.

The powers conferred by sections 18-2101 to 18-2144 shall be in addition and supplemental to the powers conferred by any other law and shall be independent of and in addition to any other provision of the laws of the State of Nebraska with reference to the matters covered hereby and shall be considered as a complete and independent act and not as amendatory of or limited by any other provision of the laws of the State of Nebraska. Notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that if any provision of sections 18-2101 to 18-2144, or the application thereof to any person or circumstances is held unconstitutional or invalid, it shall not affect the other provisions of sections 18-2101 to 18-2144 or the application of such provision to other persons or circumstances. The provisions of sections 18-2101 to 18-2144 and all grants of power, authority, rights or discretion herein made to a city and to an authority created under the provisions hereof shall be liberally construed, and all

incidental powers necessary to carry into effect the provisions of such sections are hereby expressly granted to and conferred upon a city or an authority created pursuant hereto.

Source: Laws 1951, c. 224, § 23, p. 820; R.R.S.1943, § 14-1643; Laws 1961, c. 61, § 17, p. 242; R.R.S.1943, § 19-2643.

18-2144. Sections; controlling over other laws and city charters.

Sections 18-2101 to 18-2144 shall be full authority for the creation of a community redevelopment authority by a city or village, and for the exercise of the powers therein granted to a city or village and to such authority, and shall also be full authority for the creation of a community development agency by a city or village, and for the exercise of the powers therein granted to a city or village for such purpose, and no action, proceeding, or election shall be required prior to the creation of a community redevelopment authority or community development agency hereunder or to authorize the exercise of any of the powers granted in such sections, except as specifically provided in such sections, any provision of law or of any city charter or village law to the contrary notwithstanding.

No proceedings for the issuance of bonds of an authority or of a city or village for its community development agency shall be required other than those required by the provisions of sections 18-2101 to 18-2144; and the provisions of all other laws and city charters, if any, relative to the terms and conditions for the issuance, payment, redemption, registration, sale or delivery of bonds of public bodies, corporations, or political subdivisions of this state shall not be applicable to bonds issued by an authority pursuant to sections 18-2101 to 18-2144.

Insofar as the provisions of sections 18-2101 to 18-2144 are inconsistent with the provisions of any other law or of any city charter, if any, the provisions of sections 18-2101 to 18-2144 shall be controlling.

Source: Laws 1957, c. 52, § 15, p. 261; Laws 1961, c. 61, § 18, p. 243; R.R.S.1943, § 19-2644; Laws 1973, LB 299, § 4; Laws 1979, LB 158, § 9.

18-2145. Limited community redevelopment authority; laws applicable.

The provisions of sections 18-2101 to 18-2144 not in conflict with sections 18-2102.01, 18-2103, 18-2107, 18-2145, and 18-2146 and necessary or convenient to carry out the powers expressly conferred or the intent and purpose of sections 18-2102.01, 18-2103, 18-2107, 18-2145, and 18-2146 shall apply to the limited community redevelopment authority hereby authorized.

Source: Laws 1969, c. 106, § 5, p. 498.

18-2146. Minimum standards housing ordinance; adopt, when.

Each city and village shall adopt a minimum standards housing ordinance if such city or village has completed an approved workable program or is in the process of the preparation of such a program.

Source: Laws 1969, c. 106, § 6, p. 498; Laws 1971, LB 747, § 1.

18-2147. Ad valorem tax; division authorized; limitation; fifteen-year period.

(1) Any redevelopment plan as originally approved or as later modified pursuant to section 18-2117 may contain a provision that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project for the benefit of any public body shall be divided, for a period not to exceed fifteen years after the effective date as identified in the project redevelopment contract or in the resolution of the authority authorizing the issuance of bonds pursuant to section 18-2124, as follows:

(a) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body. When there is not a redevelopment project valuation on a parcel or parcels, the county assessor shall determine the redevelopment project valuation based upon the fair market valuation of the parcel or parcels as of January 1 of the year prior to the year that the ad valorem taxes are to be divided. The county assessor shall provide written notice of the redevelopment project valuation to the authority as defined in section 18-2103 and the owner. The authority or owner may protest the valuation to the county board of equalization within thirty days after the date of the valuation notice. All provisions of section 77-1502 except dates for filing of a protest, the period for hearing protests, and the date for mailing notice of the county board of equalization's decision are applicable to any protest filed pursuant to this section. The county board of equalization shall decide any protest filed pursuant to this section within thirty days after the filing of the protest. The county clerk shall mail a copy of the decision made by the county board of equalization on protests pursuant to this section to the authority or owner within seven days after the board's decision. Any decision of the county board of equalization may be appealed to the Tax Equalization and Review Commission, in accordance with section 77-5013, within thirty days after the date of the decision;

(b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies; and

(c) Any interest and penalties due for delinquent taxes shall be paid into the funds of each public body in the same proportion as are all other taxes collected by or for the public body.

(2) The effective date of a provision dividing ad valorem taxes as provided in subsection (1) of this section shall not occur until such time as the real property in the redevelopment project is

within the corporate boundaries of the city. This subsection shall not apply to a redevelopment project involving a formerly used defense site as authorized in section 18-2123.01.

(3) Beginning August 1, 2006, all notices of the provision for dividing ad valorem taxes shall be sent by the authority to the county assessor on forms prescribed by the Property Tax Administrator. The notice shall be sent to the county assessor on or before August 1 of the year of the effective date of the provision. Failure to satisfy the notice requirement of this section shall result in the taxes, for all taxable years affected by the failure to give notice of the effective date of the provision, remaining undivided and being paid into the funds for each public body receiving property taxes generated by the property in the redevelopment project. However, the redevelopment project valuation for the remaining division of ad valorem taxes in accordance with subdivisions (1)(a) and (b) of this section shall be the last certified valuation for the taxable year prior to the effective date of the provision to divide the taxes for the remaining portion of the fifteen-year period pursuant to subsection (1) of this section.

Source: Laws 1979, LB 158, § 10; Laws 1997, LB 875, § 14; Laws 1999, LB 194, § 2; Laws 2002, LB 994, § 2; Laws 2006, LB 808, § 2; Laws 2006, LB 1175, § 2; Laws 2011, LB54, § 1; Laws 2013, LB66, § 4.

18-2147.01. Cost-benefit analysis; reimbursement.

The Department of Economic Development shall, to the extent that funds are appropriated for such purpose, reimburse applying cities or villages for the fees paid by such cities or villages for the use of the cost-benefit analysis model, developed and approved by the Legislature, for projects using funds authorized by section 18-2147.

Source: Laws 1999, LB 774, § 3; Laws 2000, LB 1135, § 3.

18-2148. Project valuation; county assessor; duties.

Commencing on the effective date of the provision outlined in section 18-2147, the county assessor, or county clerk where he or she is ex officio county assessor, of the county in which the redevelopment project is located, shall transmit to an authority and the county treasurer, upon request of the authority, the redevelopment project valuation and shall annually certify, on or before August 20, to the authority and the county treasurer the current valuation for assessment of taxable real property in the redevelopment project. The county assessor shall undertake, upon request of an authority, an investigation, examination, and inspection of the taxable real property in the redevelopment project and shall reaffirm or revalue the current value for assessment of such property in accordance with the findings of such investigation, examination, and inspection.

Source: Laws 1979, LB 158, § 11; Laws 2006, LB 808, § 3.

Annotations

- A mandamus action is an appropriate remedy for a redevelopment authority that believes that a county assessor has not complied with his or her duty under this section to transmit a redevelopment

project valuation. *Community Redev. Auth. v. Gizinski*, 16 Neb. App. 504, 745 N.W.2d 616 (2008).

18-2149. Project valuation; how treated.

In each year after the determination of a redevelopment project valuation as outlined in section 18-2148, the county assessor and the county board of equalization shall include no more than the redevelopment project valuation of the taxable real property in the redevelopment project in the assessed valuation upon which is computed the tax rates levied by any public body on such project. In each year for which the current assessed valuation on taxable real property in the redevelopment project exceeds the redevelopment project valuation, the county treasurer shall remit to the authority, instead of to any public body, that proportion of all ad valorem taxes on real property paid that year on the redevelopment project which such excess valuation bears to the current assessed valuation.

If the current assessed valuation on taxable real property in the redevelopment project is less than the redevelopment project valuation, the current assessed valuation shall be the value assessable to the public bodies for the current year and there will be no excess valuation or tax proceeds available to the redevelopment project. The redevelopment project valuation shall be reinstated when the current assessed valuation on taxable real property in the redevelopment project is equal to or greater than the redevelopment project valuation.

Source: Laws 1979, LB 158, § 12; Laws 2006, LB 808, § 4.

18-2150. Financing; pledge of taxes.

In the proceedings for the issuance of bonds, the making of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by an authority to finance or refinance, in whole or in part, a redevelopment project, the portion of taxes mentioned in subdivision (1)(b) of section 18-2147 shall be pledged for the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Source: Laws 1979, LB 158, § 13; Laws 1997, LB 875, § 15.

18-2151. Redeveloper; penal bond; when required; purpose.

Any redeveloper entering into a contract with an authority for the undertaking of a redevelopment project pursuant to a redevelopment plan which contains the provision outlined in section 18-2147 shall be required before commencing work to execute, in addition to all bonds that may be required, a penal bond with good and sufficient surety to be approved by an authority, conditioned that such contractor shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing the contractor or his or her subcontractors with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the authority to the extent any payments in connection with the carrying out of such contracts which an authority may be required to make under the law.

Source: Laws 1979, LB 158, § 14.

18-2152. Repealed. Laws 1988, LB 809, § 1.

18-2153. Sections, how construed.

The powers conferred by sections 18-2147 to 18-2153 shall be in addition and supplemental to the powers conferred by the Community Development Law and by any other law and shall be independent of and in addition to any other provision of the laws of the State of Nebraska with reference to the matters covered hereby. The provisions of such sections and all grants of power, authority, rights, or discretion to a city or village and to an authority created under the Community Development Law shall be liberally construed, and all incidental powers necessary to carry into effect such sections are hereby expressly granted to and conferred upon a city or village or an authority created pursuant to the Community Development Law.

Source: Laws 1979, LB 158, § 16; Laws 1991, LB 15, § 9; Laws 1999, LB 774, § 4.

Cross References

- **Community Development Law**, see section 18-2101.

18-2154. Authority; relocate individuals and businesses; replace housing units.

A redevelopment authority shall relocate or provide assistance in the relocation of individuals, families, and businesses occupying premises acquired for a redevelopment project pursuant to the procedures described in the Relocation Assistance Act. In the event any housing units are eliminated by a redevelopment project, the redevelopment plan for any such project shall include plans for equivalent replacement housing units elsewhere in the community.

Source: Laws 1980, LB 986, § 4; Laws 1989, LB 254, § 31.

Cross References

- **Relocation Assistance Act**, see section 76-1214.

ENHANCED EMPLOYMENT AREA ACT

18-2103. Terms, defined.

* * *

(23) Employee means a person employed at a business as a result of a redevelopment project;

(24) Employer-provided health benefit means any item paid for by the employer in total or in part that aids in the cost of health care services, including, but not limited to, health insurance, health savings accounts, and employer reimbursement of health care costs;

(25) Equivalent employees means the number of employees computed by (a) dividing the total hours to be paid in a year by (b) the product of forty times the number of weeks in a year;

(26) Business means any private business located in an enhanced employment area;

(27) New investment means the value of improvements to real estate made in an enhanced employment area by a developer or a business;

(28) Number of new employees means the number of equivalent employees that are employed at a business as a result of the redevelopment project during a year that are in excess of the number of equivalent employees during the year immediately prior to the year that a redevelopment plan is adopted; and

(29) Occupation tax means a tax imposed under section 18-2142.02.

Source: Laws 1951, c. 224, § 3, p. 797; R.R.S.1943, § 14-1603; Laws 1957, c. 52, § 4, p. 249; Laws 1961, c. 61, § 3, p. 227; R.R.S.1943, § 19-2603; Laws 1965, c. 74, § 3, p. 303; Laws 1969, c. 106, § 2, p. 488; Laws 1973, LB 299, § 3; Laws 1979, LB 158, § 2; Laws 1980, LB 986, § 2; Laws 1984, LB 1084, § 2; Laws 1993, LB 121, § 143; Laws 1997, LB 875, § 5; Laws 2007, LB562, § 2; Laws 2012, LB729, § 1; Laws 2013, LB66, § 2; Laws 2014, LB1012, § 1.

18-2116. Plan; approval; findings.

* * *

(2) In connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least (a) two new employees and new investment of one hundred twenty-five thousand dollars in counties with fewer than fifteen thousand inhabitants, (b) five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new employees and new investment of five hundred thousand dollars in counties with at least twenty-five thousand inhabitants but fewer than fifty thousand inhabitants, (d) fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants,

(e) twenty new employees and new investment of one million five hundred thousand dollars in counties with at least one hundred thousand inhabitants but fewer than two hundred thousand inhabitants, (f) twenty-five new employees and new investment of two million dollars in counties with at least two hundred thousand inhabitants but fewer than four hundred thousand inhabitants, or (g) thirty new employees and new investment of three million dollars in counties with at least four hundred thousand inhabitants. Any business that has one hundred thirty-five thousand square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. In making such determination, the governing body may rely upon written undertakings provided by any redeveloper in connection with application for approval of the redevelopment plan.

Source: Laws 1951, c. 224, § 6(9), p. 807; R.R.S.1943, § 14-1616; Laws 1957, c. 52, § 11, p. 258; R.R.S.1943, § 19-2616; Laws 1997, LB 875, § 11; Laws 2007, LB562, § 5.

18-2119. Redevelopment contract proposal; notice; considerations; acceptance; disposal of real property; contract relating to real estate within an enhanced employment area; recordation.

* * *

(2) In the case of any real estate owned by a redeveloper, the authority may enter into a redevelopment contract providing for such undertakings as the authority shall determine appropriate. Any such redevelopment contract relating to real estate within an enhanced employment area shall include a statement of the redeveloper's consent with respect to the designation of the area as an enhanced employment area, shall be recorded with respect to the real estate owned by the redeveloper, and shall be binding upon all future owners of such real estate.

Source: Laws 1951, c. 224, § 7(2), p. 809; R.R.S.1943, § 14-1619; R.R.S.1943, § 19-2619; Laws 2007, LB562, § 6.

18-2142.02. Enhanced employment area; redevelopment project; levy of general business occupation tax authorized; governing body; powers; occupation tax; power to levy; exceptions.

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. After March 27, 2014, any occupation tax imposed pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a

fine or other punishment as provided by ordinance. Any such occupation tax agreed to by the authority and the city shall remain in effect so long as the authority has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

Source: Laws 2007, LB562, § 8; Laws 2014, LB474, § 6.

18-2142.03. Enhanced employment area; use of eminent domain prohibited.

Eminent domain shall not be used to acquire property that will be transferred to a private party in the enhanced employment area.

Source: Laws 2007, LB562, § 9.

18-2142.04. Enhanced employment area; authorized work within area; levy of general business occupation tax authorized; exceptions; governing body; powers; revenue bonds authorized; terms and conditions.

(1) For purposes of this section:

(a) Authorized work means the performance of any one or more of the following purposes within an enhanced employment area designated pursuant to this section:

(i) The acquisition, construction, maintenance, and operation of public offstreet parking facilities for the benefit of the enhanced employment area;

(ii) Improvement of any public place or facility in the enhanced employment area, including landscaping, physical improvements for decoration or security purposes, and plantings;

(iii) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;

(iv) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the enhanced employment area;

(v) Creation and implementation of a plan for improving the general architectural design of public areas in the enhanced employment area;

(vi) The development of any public activities and promotion of public events, including the management, promotion, and advocacy of retail trade activities or other promotional activities, in the enhanced employment area;

(vii) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

(viii) Any other project or undertaking for the betterment of the public facilities in the enhanced employment area, whether the project is capital or noncapital in nature;

(ix) Enforcement of parking regulations and the provision of security within the enhanced employment area; or

(x) Employing or contracting for personnel, including administrators for any improvement program under the Community Development Law, and providing for any service as may be necessary or proper to carry out the purposes of the Community Development Law;

(b) Employee means a person employed at a business located within an enhanced employment area; and

(c) Number of new employees means the number of equivalent employees that are employed at a business located within an enhanced employment area designated pursuant to this section during a year that are in excess of the number of equivalent employees during the year immediately prior to the year the enhanced employment area was designated pursuant to this section.

(2) If an area is not blighted or substandard, a city may designate an area as an enhanced employment area if the governing body determines that new investment within such enhanced employment area will result in at least (a) two new employees and new investment of one hundred twenty-five thousand dollars in counties with fewer than fifteen thousand inhabitants, (b) five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new employees and new investment of five hundred thousand dollars in counties with at least twenty-five thousand inhabitants but fewer than fifty thousand inhabitants, (d) fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants, (e) twenty new employees and new investment of one million five hundred thousand dollars in counties with at least one hundred thousand inhabitants but fewer than two hundred thousand inhabitants, (f) twenty-five new employees and new investment of two million dollars in counties with at least two hundred thousand inhabitants but fewer than four hundred thousand inhabitants, or (g) thirty new employees and new investment of three million dollars in counties with at least four hundred thousand inhabitants. Any business that has one hundred thirty-five thousand square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. In making such determination, the governing body may rely upon written undertakings provided by any owner of property within such area.

(3) Upon designation of an enhanced employment area under this section, a city may levy a general business occupation tax upon the businesses and users of space within such enhanced employment area for the purpose of paying all or any part of the costs and expenses of authorized work within such enhanced employment area. After March 27, 2014, any occupation tax imposed

pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance. Any occupation tax levied by the city under this section shall remain in effect so long as the city has bonds outstanding which have been issued under the authority of this section and are secured by such occupation tax or that state such occupation tax as an available source for payment. The total amount of occupation taxes levied shall not exceed the total costs and expenses of the authorized work including the total debt service requirements of any bonds the proceeds of which are expended for or allocated to such authorized work. The assessments or taxes levied must be specified by ordinance and the proceeds shall not be used for any purpose other than the making of such improvements and for the repayment of bonds issued in whole or in part for the financing of such improvements. The authority to levy the general business occupation tax contained in this section and the authority to issue bonds secured by or payable from such occupation tax shall be independent of and separate from any occupation tax referenced in section 18-2103.

(4) A city may issue revenue bonds for the purpose of defraying the cost of authorized work and to secure the payment of such bonds with the occupation tax revenue described in this section. Such revenue bonds may be issued in one or more series or issues where deemed advisable, and each such series or issue may contain different maturity dates, interest rates, priorities on revenue available for payment of such bonds and priorities on securities available for guaranteeing payment thereof, and such other differing terms and conditions as are deemed necessary. The following shall apply to any such bonds:

(a) Such bonds shall be limited obligations of the city. Bonds and interest on such bonds, issued under the authority of this section, shall not constitute nor give rise to a pecuniary liability of the city or a charge against its general credit or taxing powers. Such limitation shall be plainly stated upon the face of each of such bonds;

(b) Such bonds may (i) be executed and delivered at any time and from time to time, (ii) be in such form and denominations, (iii) be of such tenor, (iv) be payable in such installments and at such time or times not exceeding twenty years from their date, (v) be payable at such place or places, (vi) bear interest at such rate or rates, payable at such place or places, and evidenced in such manner, (vii) be redeemable prior to maturity, with or without premium, and (viii) contain such provisions as shall be deemed in the best interest of the city and provided for in the proceedings of the governing body under which the bonds shall be authorized to be issued;

(c) The authorization, terms, issuance, execution, or delivery of such bonds shall not be subject to sections 10-101 to 10-126; and

(d) Such bonds may be sold at public or private sale in such manner and at such time or times as may be determined by the governing body to be most advantageous. The city may pay all expenses, premiums, and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale, and issuance thereof from the proceeds or the sale of the bonds or from the revenue of the occupation tax described in this section.

Source: Laws 2007, LB562, § 10; Laws 2014, LB474, § 7.

NEBRASKA ADVANTAGE TRANSFORMATIONAL TOURISM AND REDEVELOPMENT ACT

77-1001. Act, how cited.

Sections 77-1001 to 77-1035 shall be known and may be cited as the Nebraska Advantage Transformational Tourism and Redevelopment Act.

Source: Laws 2010, LB1018, § 1.

77-1002. Legislative findings and declarations.

The Legislature hereby finds and declares that it is the policy of this state to utilize Nebraska's tax structure in order to encourage new businesses to relocate to Nebraska as a component of a program to develop new tourism attractions as well as to redevelop areas of municipalities which are suffering the effects of age. In addition, the policy of this state is to promote the creation and retention of new jobs in Nebraska and attract and retain Nebraska's best and brightest young people.

Source: Laws 2010, LB1018, § 2.

77-1003. Definitions, where found.

For purposes of the Nebraska Advantage Transformational Tourism and Redevelopment Act, the definitions found in sections 77-1004 to 77-1027 shall be used.

Source: Laws 2010, LB1018, § 3.

77-1004. Tax terms, meaning.

Any term shall have the same meaning as used in Chapter 77, article 27.

Source: Laws 2010, LB1018, § 4.

77-1005. Approved cost, defined.

Approved cost means:

(1) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, delivery persons, and material suppliers in connection with the acquisition, construction, equipping, and installation of a project;

(2) The cost of acquiring real property or rights in real property and any cost incidental thereto;

(3) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, and installation of a project which is not paid by the vendor, supplier, delivery person, or contractor or otherwise provided;

(4) The cost of architectural and engineering services, including, but not limited to, estimates, plans, specifications, preliminary investigations, and supervision of construction and installation, as well as for the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation of a project;

(5) The cost required to be paid under the terms of any contract for the acquisition, construction, equipping, and installation of a project;

(6) The cost required for the installation of utilities, including, but not limited to: Water; sewer; sewer treatment; gas; electricity; and communications, including offsite construction of facilities paid for by the project owner; and

(7) All other costs comparable with those described in this section.

Source: Laws 2010, LB1018, § 5.

77-1006. Approved project, defined.

Approved project means any project that is certified by a municipality under the Nebraska Advantage Transformational Tourism and Redevelopment Act.

Source: Laws 2010, LB1018, § 6.

77-1007. Cultural development, defined.

Cultural development means a real estate development with a primary purpose of promoting cultural education or development, such as a museum or related visual arts centers, performing arts facility, or facilities housing, incubating, developing, or promoting art, music, theater, dance, zoology, botany, natural history, cultural history, or the sciences.

Source: Laws 2010, LB1018, § 7.

77-1008. Destination dining, defined.

Destination dining means a real estate development primarily selling and serving prepared food and beverage to the public in a setting with sit-down dining. In addition, the development must offer a unique food or experience concept not found in this state within (1) the same metropolitan statistical area as determined by the United States Office of Management and Budget and (2) a fifty-mile radius of the development.

Source: Laws 2010, LB1018, § 8.

77-1009. Entertainment destination center, defined.

Entertainment destination center means a facility containing a minimum of two hundred thousand square feet of gross leasable area adjacent or complementary to an existing tourism attraction, an approved tourism development project, or a convention facility, and which provides a variety of entertainment and leisure options that contain at least six full-service restaurants and at least three additional entertainment venues, including, but not limited to, live entertainment, multiplex theaters, large-format theaters, motion simulators, family entertainment centers, concert halls, virtual reality or other interactive games, museums, exhibitions, or other cultural and leisure-time activities. Entertainment, food, and drink options and adjacent lodging shall occupy a minimum of sixty percent of the total gross area. Other retail stores shall occupy no more than forty percent of the total gross area.

Source: Laws 2010, LB1018, § 9.

77-1010. Entitlement period, defined.

Entitlement period means the year during which the required increases in employment and investment were met or exceeded and each year thereafter until the end of the ninth year following the year of application.

Source: Laws 2010, LB1018, § 10.

77-1011. Full-service restaurant, defined.

Full-service restaurant means any public place (1) which is kept, used, maintained, advertised, and held out to the public as a place where meals are served and where meals are actually and regularly served, (2) which has no sleeping accommodations, (3) which has adequate and sanitary kitchen and dining room equipment and capacity and a sufficient number and kind of employees to prepare, cook, and serve suitable food for its guests to consume on premise, and (4) which has wait staff and table service with an average per-table bill of at least fifteen dollars.

Source: Laws 2010, LB1018, § 11.

77-1012. Historical redevelopment, defined.

Historical redevelopment means a real estate development project that redevelops a historic building, as listed on either the National Register of Historic Places or the Nebraska Historic Buildings Survey. The reuse of the historic building can be any approved use, including retail for an entertainment destination center or a mixed-use project.

Source: Laws 2010, LB1018, § 12.

77-1013. Investment, defined.

Investment means the value of qualified property incorporated into or used at the project. For qualified property owned by the taxpayer, the value shall be the original cost of the property. Investment does not include real property for a tourism development project.

Source: Laws 2010, LB1018, § 13.

77-1014. Lodging, defined.

(1) Lodging means any lodging facility with the following attributes:

(a) The facility constitutes a portion of an approved project and represents less than fifty percent of the total approved cost of the tourism attraction project, or the facility is to be located on recreational property owned or leased by the state or the federal government and has received prior approval from the appropriate state or federal agency;

(b) The facility utilizes a historical redevelopment; or

(c) The facility involves the construction, reconstruction, restoration, rehabilitation, or upgrade of a full-service lodging facility having not less than two hundred fifty guestrooms, with reconstruction, restoration, rehabilitation, or upgrade costs exceeding the minimum. The hotel facilities or attached conference facility must also include a minimum of fifteen thousand square feet of net function space, including exhibit space, ballrooms, meeting rooms, or lecture halls.

(2) Lodging includes a lodging facility constructed as part of a development prior to the construction of retail development or a tourism attraction under the Nebraska Advantage Transformational Tourism and Redevelopment Act.

Source: Laws 2010, LB1018, § 14.

77-1015. Mixed-use project, defined.

Mixed-use project means a facility containing a minimum of fifty thousand square feet. The project must include at least two vertical stories of usable or leasable space and contain a minimum of two uses, such as restaurant, office, retail, or residential, not including parking. Retail stores shall occupy no more than forty percent of the total gross usable area.

Source: Laws 2010, LB1018, § 15.

77-1016. Nebraska crafts and products center, defined.

Nebraska crafts and products center means a real estate retail development primarily selling products created, grown, or assembled in Nebraska. Nebraska crafts and products must constitute a minimum of fifty percent of the total sales volume of the development.

Source: Laws 2010, LB1018, § 16.

77-1017. Project, defined.

Project means the acquisition, including the acquisition of real estate by a leasehold interest with a minimum term of ten years, construction, and equipping of a tourism attraction or redevelopment project; the construction and installation of improvements to facilities necessary or desirable for the acquisition, construction, and installation of a tourism attraction or redevelopment project, including, but not limited to, surveys; installation of utilities which may include water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; and offsite construction of utility extensions to the boundaries of the real estate on which the facilities are located, all of which are to be used to improve the economic situation of the approved company in a manner that allows the approved company to attract persons.

Source: Laws 2010, LB1018, § 17.

77-1018. Qualified business, defined.

(1) For a tourism development project, qualified business means any business engaged in:

- (a) Cultural development;
- (b) Historical redevelopment;
- (c) Recreation facilities;
- (d) Entertainment destination centers;
- (e) Lodging;
- (f) Destination dining;
- (g) Tourism attraction;
- (h) Nebraska crafts and products center; or
- (i) Any combination of the activities listed in this subsection.

(2) For a redevelopment project, qualified business means any business engaged in:

- (a) Cultural development;
- (b) Historical redevelopment;
- (c) Recreation facilities;

- (d) Entertainment destination centers;
- (e) Mixed-use projects;
- (f) Lodging;
- (g) Full-service restaurants or destination dining;
- (h) Residential development;
- (i) Retail development;
- (j) Structured parking;
- (k) Tourism attraction;
- (l) Nebraska crafts and products center; or
- (m) Any combination of the activities listed in this subsection.

Source: Laws 2010, LB1018, § 18.

77-1019. Qualified property, defined.

(1) Qualified property means any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, as amended, or the components of such property, that will be located and used at the project.

(2) Qualified property does not include (a) aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or (b) property that is rented by the taxpayer qualifying under the Nebraska Advantage Transformational Tourism and Redevelopment Act to another person.

Source: Laws 2010, LB1018, § 19.

77-1020. Recreation facility, defined.

Recreation facility means any real estate project with a primary purpose of promoting and hosting sports or recreation activities, including sports facilities, golf courses, beaches, parks, water parks, amusement parks, and related support amenities.

Source: Laws 2010, LB1018, § 20.

77-1021. Redevelopment project, defined.

Redevelopment project means a project proposed on a parcel or parcels previously developed with real property improvements. Current usage cannot include agriculture or livestock. The

redevelopment project must be within the municipal limits of a municipality. The existing improvements must be more than ten years old or have been demolished prior to application.

Source: Laws 2010, LB1018, § 21.

77-1022. Related persons, defined.

Related persons means any corporations, partnerships, limited liability companies, or joint ventures which are or would otherwise be members of the same unitary group, if incorporated, or any persons who are considered to be related persons under either section 267(b) and (c) or section 707(b) of the Internal Revenue Code of 1986, as amended.

Source: Laws 2010, LB1018, § 22.

77-1023. Structured parking, defined.

Structured parking means a real estate development used primarily as a covered parking facility for automobiles or related personal vehicles. The parking facility must have a minimum of two levels of parking above or below ground.

Source: Laws 2010, LB1018, § 23.

77-1024. Taxpayer, defined.

(1) Taxpayer means any person subject to sales and use taxes under the Nebraska Revenue Act of 1967 and subject to withholding under section 77-2753 and any corporation, partnership, limited liability company, cooperative, including a cooperative exempt under section 521 of the Internal Revenue Code of 1986, as amended, limited cooperative association, or joint venture that is or would otherwise be a member of the same unitary group, if incorporated, that is subject to such sales and use taxes or such withholding.

(2) Taxpayer does not include a political subdivision or an organization that is exempt from income taxes under section 501(a) of the Internal Revenue Code of 1986, as amended, or any partnership, limited liability company, cooperative, including a cooperative exempt under section 521 of the Internal Revenue Code of 1986, as amended, limited cooperative association, or joint venture in which political subdivisions or organizations described in section 501(c) or (d) of the Internal Revenue Code of 1986, as amended, hold an ownership interest of ten percent or more.

Source: Laws 2010, LB1018, § 24.

Cross References

- **Nebraska Revenue Act of 1967**, see section 77-2701.

77-1025. Tourism attraction, defined.

Tourism attraction means a place of interest where tourists visit, typically for the inherent or exhibited cultural value, historical significance, natural or built beauty, or amusement opportunities, such as historical places, monuments, zoos, aquaria, museums, art galleries, botanical gardens, skyscrapers, parks, forests, natural recreation areas, theme parks, ethnic enclaves, historic transportation, and landmarks.

Source: Laws 2010, LB1018, § 25.

77-1026. Year, defined.

Year means the taxable year of the taxpayer.

Source: Laws 2010, LB1018, § 26.

77-1027. Year of application, defined.

Year of application means the year that a completed application is filed under the Nebraska Advantage Transformational Tourism and Redevelopment Act.

Source: Laws 2010, LB1018, § 27.

77-1028. Election required; procedures applicable.

The powers granted by the Nebraska Advantage Transformational Tourism and Redevelopment Act shall not be exercised unless and until the question of directing the proceeds of the local option sales tax as authorized under the act has been submitted at a primary, general, or special election held within the municipality and in which all registered voters are entitled to vote on such question. The officials of the municipality shall order the submission of the question by submitting a certified copy of the resolution proposing the tax to the election commissioner or county clerk. The question may include any terms and conditions set forth in the resolution, such as a termination date, and shall include the following language: Shall the municipality direct the local option sales tax collected within an area defined by the municipality to require redevelopment or as a tourism development project for the benefit of that area? If a majority of the votes cast upon the question are in favor, the governing body may so direct the tax. If a majority of those voting on the question are opposed, the governing body shall not so direct the tax. Once approved, the municipality may exercise the powers granted by the act for a period of ten years. Any election under this section shall be conducted in accordance with the procedures provided in the Election Act.

Source: Laws 2010, LB1018, § 28.

Cross References

- **Election Act**, see section 32-101.

77-1029. Verification of work eligibility status.

A municipality shall not approve or grant to any person any incentive under the Nebraska Advantage Transformational Tourism and Redevelopment Act unless the taxpayer provides evidence satisfactory to the municipality that the taxpayer electronically verified the work eligibility status of all newly hired employees employed in Nebraska.

Source: Laws 2010, LB1018, § 29.

77-1030. Application; form; contents; confidentiality; fee; municipality; duties; certification; written agreement; contents; modification.

(1) In order to utilize the incentives set forth in the Nebraska Advantage Transformational Tourism and Redevelopment Act, the taxpayer shall file an application, on a form developed by an association of municipalities organized statewide, requesting an agreement.

(2) The application shall contain:

(a) A written statement describing the plan of employment and investment for a qualified business in this state;

(b) Sufficient documents, plans, and specifications as required by the municipality to support the plan and to define a project and a feasibility study. The plans shall include evidence that demonstrates that the project is feasible only with the incentives provided by the act;

(c) A nonrefundable application fee of two thousand five hundred dollars; and

(d) A timetable showing the expected local option sales tax refunds and what year they are expected to be claimed.

The application and all supporting information shall be confidential except for the name of the taxpayer, the location of the project, and the amounts of increased employment and investment.

(3) An application must be complete to establish the date of the application. An application shall be considered complete once it contains the items listed in subsection (2) of this section, regardless of the municipality's additional needs pertaining to information or clarification in order to approve or not approve the application.

(4) The municipality shall conduct an internal review of the feasibility study. If the municipality determines that the feasibility study demonstrates that the project can meet the requirements of the act, then the municipality shall conduct its own study with an independent third party, the cost of which shall be paid in full by the applicant. The cost of the study required under this subsection shall be in addition to the fee required under subsection (2) of this section. The purpose of the study is to verify or nullify the results of the feasibility study provided by the applicant. Additionally, the study shall examine the ability of the applicant to meet the

requirements of the act. The study shall make a recommendation to the municipality on whether to proceed with the project or not.

(5) Once satisfied that the plan in the application defines a project consistent with the purposes stated in the Nebraska Advantage Transformational Tourism and Redevelopment Act in one or more qualified business activities within this state, that the taxpayer and the plan will qualify for incentives under the act, and that the required levels of employment and investment for the project will be met prior to the end of the fourth year after the year in which the application was submitted, the municipality shall certify the application. Certification shall require approval by a majority vote by the members of the governing body of the municipality.

(6) After certification, the taxpayer and the municipality shall enter into a written agreement. The taxpayer shall agree to complete the project, and the municipality shall designate the approved plan of the taxpayer as a project and, in consideration of the taxpayer's agreement, agree to allow the taxpayer to use the incentives contained in the Nebraska Advantage Transformational Tourism and Redevelopment Act. The application, and all supporting documentation, to the extent approved, shall be considered a part of the agreement. The agreement shall state:

(a) The levels of employment and investment required by the act for the project;

(b) The time period under the act in which the required levels must be met;

(c) The documentation the taxpayer will need to supply when claiming an incentive under the act;

(d) The date the application was filed; and

(e) A requirement that the company update the municipality annually on any changes in plans or circumstances which affect the timetable of local option sales tax refunds as set out in the application. If the company fails to comply with this requirement, the municipality may defer any pending local option sales tax refunds until the company does comply.

(7) A taxpayer and a municipality may enter into agreements for more than one project and may include more than one project in a single agreement. The projects may be either sequential or concurrent. A project may involve the same location as another project. No new employment or new investment shall be included in more than one project for either the meeting of the employment or investment requirements or the creation of incentives. When projects overlap and the plans do not clearly specify, then the taxpayer shall specify in which project the employment or investment belongs.

(8) The taxpayer may request that an agreement be modified if the modification is consistent with the purposes of the act and does not require a change in the description of the project. Once satisfied that the modification to the agreement is consistent with the purposes stated in the act, the municipality and taxpayer may amend the agreement.

(9) The agreement shall include performance-based metrics to insure compliance with the act.

Source: Laws 2010, LB1018, § 30.

77-1031. Incentives; tiers; project requirements; refund of taxes.

(1) Applicants may qualify for incentives under the Nebraska Advantage Transformational Tourism and Redevelopment Act as follows:

(a)(i) Tourism development project, investment in qualified property as required by this subdivision and a net employment increase to the state. Net employment from the project shall be determined at stabilization of the project, typically by the third year, and shall include any lost jobs from semi-competitive venues.

(ii) The investment requirement for a tourism development project is as follows:

(A) Tier 1, fifty million dollars exclusive of land for a project located in a municipality within a county in which the net taxable sales in the preceding calendar year were at least nine hundred million dollars or a municipality within a county bordered by two counties in which the total net taxable sales in the preceding calendar year were at least nine hundred million dollars;

(B) Tier 2, thirty million dollars exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were at least two hundred million dollars but less than nine hundred million dollars;

(C) Tier 3, twenty million dollars exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were at least one hundred million dollars but less than two hundred million dollars; and

(D) Tier 4, ten million dollars exclusive of land for a project in a municipality within a county in which the net taxable sales in the preceding calendar year were less than one hundred million dollars.

(iii) All complete project applications shall be considered by the municipality and certified if the project and taxpayer qualify for incentives. Agreements may be executed with regard to completed project applications. A tourism development project shall be unique and not duplicate any other qualified business in this state within (A) the same metropolitan statistical area as determined by the United States Office of Management and Budget and (B) a fifty-mile radius of the project; and

(b) Redevelopment project, investment in qualified property of at least ten million dollars and a net employment increase to the state, except that for a redevelopment project in a municipality within a county in which the net taxable sales in the preceding calendar year were less than one hundred million dollars, the requirements shall be investment in qualified property of at least seven million five hundred thousand dollars and a net employment increase to the state. Net employment from the project shall be determined by comparing the impact of the project to the impact of not having the project. Agreements may be executed with regard to completed project applications.

(2) In addition to the requirements of subsection (1) of this section:

(a) The project shall be open at least one hundred fifty days each calendar year;

(b) The applicant shall demonstrate that the project is not feasible but for the incentives provided under the act; and

(c) The applicant shall demonstrate that the project has conditional financing prior to completion of the application and final approval of financing before final approval of the application by the municipality.

(3) When the taxpayer has met the requirements contained in the agreement for the project, the taxpayer shall be entitled to the following incentives:

(a) A refund of local option sales tax up to a rate of one and one-half percent from the date of the application through the meeting of the requirements contained in the agreement for the project for all purchases, including rentals, of:

(i) Qualified property used as a part of the project;

(ii) Property, excluding motor vehicles, based in this state and used in both this state and another state in connection with the project except when any such property is to be used for fundraising for or for the transportation of an elected official;

(iii) Tangible personal property by the owner of the improvement to real estate that is incorporated into real estate as a part of a project; and

(iv) Tangible personal property by a contractor or repairperson after appointment as a purchasing agent of the owner of the improvement to real estate;

(b) Except as provided in subdivision (c) of this subsection for redevelopment projects, a refund of local option sales tax up to a rate of one and one-half percent paid on all types of purchases on which the local option sales tax is levied within the boundaries of the project during each year of the entitlement period in which the taxpayer meets the requirements contained in the agreement for the project; and

(c) For a redevelopment project, if the taxpayer has been collecting local option sales tax for more than twenty-four months prior to completion of the project, a refund of the increase in local option sales tax revenue collected by the taxpayer within the boundaries of the project each calendar year after the completion of the project.

Source: Laws 2010, LB1018, § 31.

77-1032. Department of Revenue; duties; review of projects; recapture of incentives; Nebraska Advantage Transformational Tourism and Redevelopment Act Cash Fund; created; use; investment.

(1) The Department of Revenue shall contract with an independent consultant to review each project under the Nebraska Advantage Transformational Tourism and Redevelopment Act every fifth year following July 15, 2010. The review shall be paid for by each project owner. The review shall examine patronage from outside the metropolitan statistical area as defined by the United States Office of Management and Budget in which the project is located, sales data, and employment records to determine the project owner's continued compliance with the provisions of the act. The project owner shall comply with the provisions of this subsection or be subject to the recapture provisions of this section. If it is determined that the project owner was not in compliance, the municipality may recapture all or a portion of the incentives provided under the act.

(2) If the taxpayer fails to meet the requirements contained in the agreement for the project either by the end of the fourth year after the end of the year the application was submitted or for the entire entitlement period, all or a portion of the incentives provided under the act shall be recaptured on behalf of the municipality.

(3) Notwithstanding any other limitations contained in the laws of this state, collection of any taxes deemed to be underpayments by this section shall be allowed for a period of four years after the end of the entitlement period.

(4) Any amounts due under this section shall be recaptured notwithstanding other allowable incentives and shall not be subsequently refunded under any provision of the act unless the recapture was in error.

(5) The recapture required by this section shall not occur if (a) the failure to maintain the required levels of employment or investment was caused by an act of God or national emergency or (b) the cost of recapture would exceed the amount to be recaptured in the opinion of the municipality.

(6) The Nebraska Advantage Transformational Tourism and Redevelopment Act Cash Fund is created. The fund shall be used by the department to carry out its duties under this section. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Source: Laws 2010, LB1018, § 32.

Cross References

- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

77-1033. Transfer of incentives; when; liability for recapture.

(1) The incentives allowed under the Nebraska Advantage Transformational Tourism and Redevelopment Act may be transferred when a project covered by an agreement is transferred in its entirety by sale or lease to another taxpayer or in an acquisition of assets qualifying under section 381 of the Internal Revenue Code of 1986, as amended.

(2) The acquiring taxpayer, as of the date of notification of the municipality of the completed transfer, shall be entitled to any future incentives allowable under the act.

(3) The acquiring taxpayer shall be liable for any recapture that becomes due after the date of the transfer for the repayment of any incentives received either before or after the transfer.

Source: Laws 2010, LB1018, § 33.

77-1034. Refunds; interest not allowable.

Interest shall not be allowable on any refunds paid because of incentives earned under the Nebraska Advantage Transformational Tourism and Redevelopment Act.

Source: Laws 2010, LB1018, § 34.

77-1035. Act; restrictions on use.

The Nebraska Advantage Transformational Tourism and Redevelopment Act may not be used for the construction or financing of a stadium or for support facilities for a stadium.

Source: Laws 2010, LB1018, § 35.

CONVENTION CENTER FACILITY FINANCING ASSISTANCE ACT

13-2601. Act, how cited.

Sections 13-2601 to 13-2613 shall be known and may be cited as the Convention Center Facility Financing Assistance Act.

Source: Laws 1999, LB 382, § 1; Laws 2010, LB779, § 2.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2602. Legislative findings.

(1) The Legislature finds that it will be beneficial to the economic well-being of the people of this state that there be convention and meeting center facilities and sports arena facilities of appropriate size and quality to host regional, national, or international events. Regional refers to states that border Nebraska; national refers to states other than those that border Nebraska; and international refers to nations other than the United States.

(2) The Legislature further finds that such facilities may (a) generate new economic activity as well as additional state and local taxes from persons residing within and outside the state and (b) create new economic opportunities for residents.

(3) In order that the state may receive any long-term economic and fiscal benefits from such facilities, a need exists to provide some state assistance to political subdivisions endeavoring to construct, acquire, substantially reconstruct, expand, operate, improve, or equip such facilities.

(4) Therefor, it is deemed to be in the best interest of both the state and its political subdivisions that the state assist political subdivisions in financing the construction, acquisition, substantial reconstruction, expansion, operation, improvement, or equipping of such facilities.

(5) The amount of state assistance shall be limited to a designated portion of state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels.

Source: Laws 1999, LB 382, § 2; Laws 2007, LB551, § 1.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2603. Terms, defined.

For purposes of the Convention Center Facility Financing Assistance Act:

(1)(a) Associated hotel means any publicly owned facility in which the public may, for a consideration, obtain sleeping accommodations and which is located within two hundred yards of an eligible facility; and

(b) Beginning with applications for financial assistance received on or after February 1, 2008, associated hotel means any publicly or privately owned facility in which the public may, for a consideration, obtain sleeping accommodations and which is located within four hundred fifty yards of an eligible facility, measured from the eligible facility but not from any parking facility or other structure;

(2) Board means a board consisting of the Governor, the State Treasurer, the chairperson of the Nebraska Investment Council, the chairperson of the Nebraska State Board of Public Accountancy, and a professor of economics on the faculty of a state postsecondary educational institution appointed to a two-year term on the board by the Coordinating Commission for Postsecondary Education. For administrative and budget purposes only, the board shall be considered part of the Department of Revenue;

(3) Bond means a general obligation bond, redevelopment bond, lease-purchase bond, revenue bond, or combination of any such bonds;

(4) Convention and meeting center facility means a temperature-controlled building and personal property primarily used as a convention and meeting center, including an auditorium, an exhibition hall, a facility for onsite food preparation and serving, an onsite, directly connected parking facility for the use of the convention and meeting center facility, and an onsite administrative office of the convention and meeting center facility;

(5)(a) Eligible facility means any publicly owned convention and meeting center facility approved for state assistance on or before June 1, 2007, any publicly owned sports arena facility attached to such convention and meeting center facility, or any publicly or privately owned convention and meeting center facility or publicly or privately owned sports arena facility acquired, constructed, improved, or equipped after June 1, 2007; and

(b) Beginning with applications for financial assistance received on or after February 1, 2008, eligible facility does not include any publicly or privately owned sports arena facility with a seating capacity greater than sixteen thousand seats;

(6) General obligation bond means any bond or refunding bond issued by a political subdivision and which is payable from the proceeds of an ad valorem tax;

(7) Political subdivision means any local governmental body formed and organized under state law and any joint entity or joint public agency created under state law to act on behalf of political subdivisions which has statutory authority to issue general obligation bonds;

(8) Revenue bond means any bond or refunding bond issued by a political subdivision which is limited or special rather than a general obligation bond of the political subdivision and which is not payable from the proceeds of an ad valorem tax; and

(9) Sports arena facility means any enclosed temperature-controlled building primarily used for competitive sports, including arenas, dressing and locker facilities, concession areas, parking facilities, and onsite administrative offices connected with operating the facilities.

Source: Laws 1999, LB 382, § 3; Laws 2007, LB551, § 2; Laws 2008, LB912, § 1.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2604. State assistance.

Any political subdivision that has acquired, constructed, improved, or equipped or has approved a general obligation bond issue to acquire, construct, improve, or equip eligible facilities may apply to the board for state assistance. The state assistance may be used to pay back amounts expended or borrowed through one or more issues of bonds to be expended by the political subdivision to acquire, construct, improve, and equip eligible facilities until repayment in full of the amounts expended or borrowed by the political subdivision, including the principal of and interest on bonds, for eligible facilities.

Source: Laws 1999, LB 382, § 4; Laws 2010, LB779, § 3.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2605. State assistance; application; contents.

(1) All applications for state assistance under the Convention Center Facility Financing Assistance Act shall be in writing and shall include a certified copy of the approving action of the governing body of the applicant describing the proposed eligible facility and the anticipated financing.

(2) The application shall contain:

(a) A description of the proposed financing of the eligible facility, including the estimated principal and interest requirements for the bonds proposed to be issued in connection with the eligible facility or the amounts necessary to repay the original investment by the applicant in the eligible facility;

(b) Documentation of local financial commitment to support the project, including all public and private resources pledged or committed to the project; and

(c) Any other project information deemed appropriate by the board.

(3) Upon receiving an application for state assistance, the board shall review the application and notify the applicant of any additional information needed for a proper evaluation of the application.

(4) Any state assistance received pursuant to the act shall be used only for public purposes.

Source: Laws 1999, LB 382, § 5; Laws 2007, LB551, § 3.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2606. Board; powers and duties; hearing.

(1) After reviewing an application submitted under section 13-2605 and upon reasonable notice to the applicant, the board shall hold a public hearing on the application.

(2) The board shall give notice of the time, place, and purpose of the public hearing by publication three times in a newspaper of statewide circulation. Such publication shall be not less than ten days prior to the hearing. The notice shall describe generally the facilities for which state assistance has been requested. The applicant shall pay the cost of the notice.

(3) At the public hearing, representatives of the applicant and any other interested persons may appear and present evidence and argument in support of or in opposition to the application or neutral testimony. The board may seek expert testimony and may require testimony of persons whom the board desires to comment on the application. The board may provide for the acceptance of additional evidence after conclusion of the public hearing.

Source: Laws 1999, LB 382, § 6.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2607. Board; assistance approved; when; quorum.

(1) After consideration of the application and the evidence, the board shall issue a finding of whether the convention and meeting center facility or sports arena facility described in the application is eligible for state assistance.

(2) If the board finds that the facility described in the application is an eligible facility and that state assistance is in the best interest of the state, the application shall be approved.

(3) In determining whether state assistance is in the best interest of the state, the board shall consider the fiscal and economic capacity of the applicant to finance the local share of the eligible facility.

(4) A majority of the board members constitutes a quorum for the purpose of conducting business. All actions of the board shall be by a majority vote of all the board members, one of whom must be the Governor.

Source: Laws 1999, LB 382, § 7; Laws 2007, LB551, § 4.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2608. Repealed. Laws 2007, LB 551, § 10.

13-2609. Tax Commissioner; duties; certain retailers and operators; reports required.

(1) If an application is approved, the Tax Commissioner shall:

(a) Audit or review audits of the approved convention and meeting center facility, sports arena facility, or associated hotel to determine the state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels; and

(b) Certify annually the amount of state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels, to the State Treasurer.

(2) State sales tax revenue collected by retailers and operators that are not eligible facilities but are doing business at eligible facilities shall be reported on informational returns developed by the Department of Revenue and provided to any such retailers and operators by the eligible facility. The informational returns shall be submitted to the department by the retailer or operator by the twentieth day of the month following the month the sales taxes are collected. The Tax Commissioner shall use the data from the informational returns and sales tax returns of eligible facilities and associated hotels to determine the appropriate amount of state sales tax revenue.

(3) Changes made to the Convention Center Facility Financing Assistance Act by Laws 2007, LB 551, shall apply to state sales tax revenue collected commencing on July 1, 2006.

Source: Laws 1999, LB 382, § 9; Laws 2007, LB551, § 5; Laws 2011, LB210, § 1.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2610. Convention Center Support Fund; created; use; investment; distribution to certain areas; development fund; committee.

(1) Upon the annual certification under section 13-2609, the State Treasurer shall transfer after the audit the amount certified to the Convention Center Support Fund. The Convention Center Support Fund is created. Transfers may be made from the fund to the General Fund at the direction of the Legislature. Any money in the Convention Center Support Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2)(a) It is the intent of the Legislature to appropriate from the fund to any political subdivision for which an application for state assistance under the Convention Center Facility Financing Assistance Act has been approved an amount not to exceed (i) seventy percent of the state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels, (ii) seventy-five million dollars for any one approved project, or (iii) the total cost of acquiring, constructing, improving, or equipping the eligible facility. State assistance shall not be used for an operating subsidy or other ancillary facility.

(b) Ten percent of such funds appropriated to a city of the metropolitan class under this subsection shall be equally distributed to areas with a high concentration of poverty to (i) showcase important historical aspects of such areas or areas within close geographic proximity of the area with a high concentration of poverty or (ii) assist with the reduction of street and gang violence in such areas.

(c) Each area with a high concentration of poverty that has been distributed funds under subdivision (b) of this subsection shall establish a development fund and form a committee which shall identify and research potential projects to be completed in the area with a high concentration of poverty or in an area within close geographic proximity of such area if the project would have a significant or demonstrable impact on such area and make final determinations on the use of state sales tax revenue received for such projects.

(d) A committee formed in subdivision (c) of this subsection shall include the following three members:

(i) The member of the city council whose district includes a majority of the census tracts which each contain a percentage of persons below the poverty line of greater than thirty percent, as determined by the most recent federal decennial census, within the area with a high concentration of poverty;

(ii) The commissioner of the county whose district includes a majority of the census tracts which each contain a percentage of persons below the poverty line of greater than thirty percent, as determined by the most recent federal decennial census, within the area with a high concentration of poverty; and

(iii) A resident of the area with a high concentration of poverty, appointed by the other two members of the committee.

(e) A committee formed in subdivision (c) of this subsection shall solicit project ideas from the public and shall hold a public hearing in the area with a high concentration of poverty. Notice of a proposed hearing shall be provided in accordance with the procedures for notice of a public hearing pursuant to section 18-2115. The committee shall research potential projects and make the final determination regarding the annual distribution of funding to such projects.

(f) For purposes of this subsection, an area with a high concentration of poverty means an area within the corporate limits of a city of the metropolitan class consisting of one or more contiguous census tracts, as determined by the most recent federal decennial census, which contain a percentage of persons below the poverty line of greater than thirty percent, and all census tracts contiguous to such tract or tracts, as determined by the most recent federal decennial census.

(3) State assistance to the political subdivision shall no longer be available upon the retirement of the bonds issued to acquire, construct, improve, or equip the facility or any subsequent bonds that refunded the original issue or when state assistance reaches the amount determined under subdivision (2)(a) of this section, whichever comes first.

(4) The remaining thirty percent of state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels, shall be appropriated by the Legislature to the Civic and Community Center Financing Fund. Upon the annual certification required pursuant to section 13-2609 and following the transfer to the Convention Center Support Fund required pursuant to subsection (1) of this section, the State Treasurer shall transfer an amount equal to the remaining thirty percent from the Convention Center Support Fund to the Civic and Community Center Financing Fund.

(5) Any municipality that has applied for and received a grant of assistance under the Civic and Community Center Financing Act may not receive state assistance under the Convention Center Facility Financing Assistance Act.

Source: Laws 1999, LB 382, § 10; Laws 2007, LB551, § 6; Laws 2008, LB754, § 1; Laws 2009, LB63, § 1; Laws 2010, LB975, § 1; Laws 2011, LB297, § 1; Laws 2015, LB661, § 28.

Cross References

- **Civic and Community Center Financing Act**, see section 13-2701.
- **Limitation on applications**, see section 13-2612.
- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

13-2611. Bonds; issuance; election.

(1) The applicant political subdivision may issue from time to time its bonds and refunding bonds to finance and refinance the acquisition, construction, improving, and equipping of eligible facilities and appurtenant public facilities that are a part of the same project. The bonds may be sold by the applicant in such manner and for such price as the applicant determines, at a discount, at par, or at a premium, at private negotiated sale or at public sale, after notice published prior to the sale in a legal newspaper having general circulation in the political subdivision or in such other medium of publication as the applicant deems appropriate. The bonds shall have a stated maturity of thirty years or less and shall bear interest at such rate or rates and otherwise be issued in accordance with the respective procedures and with such other terms and provisions as are established, permitted, or authorized by applicable state laws and home rule charters for the type of bonds to be issued. Such bonds may be secured as to payment in whole or in part by a pledge, as shall be determined by the applicant, from the income, proceeds, and revenue of the eligible facilities financed with proceeds of such bonds, from the income, proceeds, and revenue of any of its eligible facilities, or from its revenue and income, including its sales, use, or occupation tax revenue, fees, or receipts, as may be determined by the applicant. The applicant may further secure the bonds by a mortgage or deed of trust encumbering all or any portion of the eligible facilities and by a bond insurance policy or other credit support facility. No general obligation bonds, except refunding bonds, shall be issued until authorized by greater than fifty percent of the applicant's electors voting on the question as to their issuance at any election as defined in section 32-108. The face of the bonds shall plainly state that the bonds and the interest thereon shall not constitute nor give rise to an indebtedness, obligation, or pecuniary liability of the state nor a charge against the general credit, revenue, or taxing power of the state. Bonds of the applicant are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempt from all state income taxes.

(2) All payments to political subdivisions under the Convention Center Facility Financing Assistance Act are made subject to specific appropriation for such purpose. Nothing in the act precludes the Legislature from amending or repealing the act at any time.

Source: Laws 1999, LB 382, § 11; Laws 2009, LB402, § 1.

Cross References

- **Limitation on applications**, see section 13-2612.

13-2612. Act; applications; limitation.

The board shall not accept applications for assistance under the Convention Center Facility Financing Assistance Act after December 31, 2012.

Source: Laws 1999, LB 382, § 12; Laws 2007, LB551, § 7; Laws 2009, LB402, § 2.

13-2613. Rules and regulations.

The Department of Revenue may adopt and promulgate rules and regulations to carry out the Convention Center Facility Financing Assistance Act.

Source: Laws 2010, LB779, § 4.

CIVIC AND COMMUNITY CENTER FINANCING ACT

13-2701. Act, how cited.

Sections 13-2701 to 13-2710 shall be known and may be cited as the Civic and Community Center Financing Act.

Source: Laws 1999, LB 382, § 13; Laws 2011, LB297, § 2; Laws 2013, LB153, § 1.

13-2702. Purpose of act.

The purpose of the Civic and Community Center Financing Act is to support the development of civic, community, and recreation centers throughout Nebraska. Furthermore, the act is intended to support projects that foster maintenance or growth of communities.

Source: Laws 1999, LB 382, § 14; Laws 2011, LB297, § 3; Laws 2013, LB153, § 2.

13-2703. Terms, defined.

For purposes of the Civic and Community Center Financing Act:

(1) Civic center means a facility that is primarily used to host conventions, meetings, and cultural events and a library;

(2) Community center means the traditional center of a community, typically comprised of a cohesive core of residential, civic, religious, and commercial buildings, arranged around a main street and intersecting streets;

(3) Department means the Department of Economic Development;

(4) Fund means the Civic and Community Center Financing Fund;

(5) Historic building means a building eligible for listing on or currently listed on the National Register of Historic Places; and

(6) Recreation center means a facility used for athletics, fitness, sport activities, or recreation that is owned by a municipality and is available for use by the general public with or without charge. Recreation center does not include any facility that requires a person to purchase a membership to utilize such facility.

Source: Laws 1999, LB 382, § 15; Laws 2011, LB297, § 4; Laws 2013, LB153, § 3.

13-2704. Civic and Community Center Financing Fund; created; use; investment.

(1) The Civic and Community Center Financing Fund is created. The fund shall be administered by the department. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Transfers may be made from the fund to the General Fund, the Department of Revenue Enforcement Fund, and the State Colleges Sport Facilities Cash Fund at the direction of the Legislature.

(2)(a) The department shall use the Civic and Community Center Financing Fund for the following purposes:

(i) For grants of assistance as described in section 13-2704.01;

(ii) For grants of assistance as described in section 13-2704.02; and

(iii) For reasonable and necessary costs of the department directly related to the administration of the fund, not to exceed the amount needed to employ a one-half full-time equivalent employee.

(b) The fund may not be used for programming, marketing, advertising, or facility-staffing activities.

(3) The State Treasurer shall transfer two hundred fifty thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund on October 1 of 2012, 2013, and 2014. Commencing October 1, 2015, and every year thereafter, the State Treasurer shall transfer three hundred thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund.

Source: Laws 1999, LB 382, § 16; Laws 2009, First Spec. Sess., LB3, § 8; Laws 2010, LB779, § 5; Laws 2011, LB297, § 5; Laws 2012, LB969, § 4; Laws 2013, LB153, § 4; Laws 2015, LB661, § 29.
Effective Date: May 21, 2015

Cross References

- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

13-2704.01. Grants of assistance; purposes; applications; evaluation.

(1) The department shall use the fund to provide grants of assistance for the following purposes:

(a) To assist in the construction of new civic centers and recreation centers or the renovation or expansion of existing civic centers and recreation centers;

(b) To assist in the conversion, rehabilitation, or reuse of historic buildings; or

(c) To upgrade community centers, including the demolition of substandard and abandoned buildings.

(2) Applications for grants of assistance pursuant to this section shall be evaluated by the department pursuant to section 13-2707.

Source: Laws 2013, LB153, § 5.

13-2704.02. Grants of assistance; engineering and technical studies.

(1) The department shall use the fund to provide grants of assistance for engineering and technical studies directly related to projects described in section 13-2704.01.

(2) Applications for grants of assistance pursuant to this section shall be evaluated by the department pursuant to section 13-2707.01.

Source: Laws 2013, LB153, § 6.

13-2705. Conditional grant approval; limits.

The department may conditionally approve grants of assistance from the fund to eligible and competitive applicants within the following limits:

(1) Except as provided in subdivision (2) of this section, a grant request shall be in an amount meeting the following requirements:

(a) For a grant of assistance under section 13-2704.01, at least ten thousand dollars but no more than:

(i) For a city of the primary class, one million five hundred thousand dollars;

(ii) For a municipality with a population of forty thousand but less than one hundred thousand, seven hundred fifty thousand dollars;

(iii) For a municipality with a population of twenty thousand but less than forty thousand, five hundred thousand dollars;

(iv) For a municipality with a population of ten thousand but less than twenty thousand, four hundred thousand dollars; and

(v) For a municipality with a population of less than ten thousand, two hundred fifty thousand dollars; and

(b) For a grant of assistance under section 13-2704.02, at least two thousand dollars but no more than ten thousand dollars;

(2) Upon the balance of the fund reaching two million five hundred thousand dollars, and until the balance of the fund falls below one million dollars, a grant request shall be in an amount meeting the following requirements:

(a) For a grant of assistance under section 13-2704.01, at least ten thousand dollars but no more than:

(i) For a city of the primary class, two million two hundred fifty thousand dollars;

(ii) For a municipality with a population of forty thousand but less than one hundred thousand, one million one hundred twenty-five thousand dollars;

(iii) For a municipality with a population of twenty thousand but less than forty thousand, seven hundred fifty thousand dollars;

(iv) For a municipality with a population of ten thousand but less than twenty thousand, six hundred thousand dollars; and

(v) For a municipality with a population of less than ten thousand, three hundred seventy-five thousand dollars; and

(b) For a grant of assistance under section 13-2704.02, at least two thousand dollars but no more than ten thousand dollars;

(3) Assistance from the fund shall not amount to more than fifty percent of the cost of the project for which a grant is requested; and

(4) A municipality shall not be awarded more than one grant of assistance under section 13-2704.01 and one grant of assistance under section 13-2704.02 in any five-year period.

Source: Laws 1999, LB 382, § 17; Laws 2003, LB 385, § 1; Laws 2010, LB789, § 1; Laws 2011, LB297, § 6; Laws 2013, LB153, § 7.

13-2706. Eligibility for grant; grant application.

(1) Except as provided in subsection (2) of this section for a city of the primary class, any municipality that has applied for and received a grant of assistance under the Sports Arena Facility Financing Assistance Act shall not receive state assistance under the Civic and Community Center Financing Act for the same project for which the grant was awarded under the Sports Arena Facility Financing Assistance Act.

(2) A city of the primary class shall not be eligible to receive a grant of assistance from the Civic and Community Center Financing Act if the city has applied for and received a grant of assistance under the Sports Arena Facility Financing Assistance Act.

(3) Any city that has received funding under the Convention Center Facility Financing Assistance Act shall not receive state assistance under the Civic and Community Center Financing Act.

(4) Any municipality eligible for a grant of assistance as provided in this section may apply for a grant of assistance from the fund. Application shall be made on forms developed by the department.

Source: Laws 1999, LB 382, § 18; Laws 2003, LB 385, § 2; Laws 2007, LB551, § 8; Laws 2010, LB779, § 6; Laws 2012, LB426, § 1.

Cross References

- **Convention Center Facility Financing Assistance Act**, see section 13-2601.
- **Sports Arena Facility Financing Assistance Act**, see section 13-3101.

13-2707. Department; evaluation criteria; match required; location.

(1) The department shall evaluate all applications for grants of assistance under section 13-2704.01 based on the following criteria, which are listed in no particular order of preference:

(a) Retention Impact. Funding decisions by the department shall be based on the likelihood of the project retaining existing residents in the community where the project is located, developing, sustaining, and fostering community connections, and enhancing the potential for economic growth in a manner that will sustain the quality of life and promote long-term economic development;

(b) New Resident Impact. Funding decisions by the department shall be based on the likelihood of the project attracting new residents to the community where the project is located;

(c) Visitor Impact. Funding decisions by the department shall be based on the likelihood of the project enhancing or creating an attraction that would increase the potential of visitors to the community where the project is located from inside and outside the state;

(d) Readiness. The applicant's fiscal and economic capacity to finance the local share and ability to proceed and implement its plan and operate the civic center, community center, or recreation center; and

(e) Project Planning. Projects with completed technical assistance and feasibility studies shall be preferred to those with no prior planning.

(2) Any grant of assistance under section 13-2704.01 shall be matched at least equally from local sources. At least fifty percent of the local match must be in cash.

(3) To receive a grant of assistance under section 13-2704.01, the project for which the grant is requested shall be located in the municipality that applies for the grant.

Source: Laws 1999, LB 382, § 19; Laws 2003, LB 385, § 3; Laws 2011, LB297, § 7; Laws 2013, LB153, § 8.

13-2707.01. Grant; engineering and technical studies; evaluation criteria.

The department shall evaluate all applications for grants of assistance under section 13-2704.02 based on the following criteria:

(1) Financial Support. Assistance from the fund shall be matched at least equally from local sources. At least fifty percent of the local match must be in cash. Projects with a higher level of local matching funds shall be preferred as compared to those with a lower level of matching funds; and

(2) Project Location. Assistance from the fund shall be for engineering and technical studies related to projects that will be located in the municipality that applies for the grant.

Source: Laws 2013, LB153, § 9.

13-2708. Grant; approval.

If a grant of assistance is approved by the department, the applicant shall receive conditional approval of the level of assistance. Projects shall receive funding from the fund in the order conditional approval is received and whenever there is sufficient money in the fund to provide the assistance. It is the intent of the Legislature to appropriate funds to support projects which have received conditional approval from the department. A grant of assistance shall be finally approved when funds for the project are appropriated by the Legislature.

Source: Laws 1999, LB 382, § 20; Laws 2003, LB 385, § 4.

13-2709. Information on grants; department; duties.

The department shall submit, as part of the department's annual status report under section 81-1201.11, the following information regarding the Civic and Community Center Financing Act:

(1) Information documenting the grants conditionally approved for funding by the Legislature in the following fiscal year;

(2) Reasons why a full application was not sent to any municipality seeking assistance under the act;

(3) The amount of sales tax revenue generated for the fund pursuant to subsection (4) of section 13-2610 and subsection (9) of section 13-3108, the total amount of grants applied for under the act, the year-end fund balance, and, if all available funds have not been committed to funding grants under the act, an explanation of the reasons why all such funds have not been so committed;

(4) The amount of appropriated funds actually expended by the department for the year;

(5) The department's current budget for administration of the act and the department's planned use and distribution of funds, including details on the amount of funds to be expended on grants and the amount of funds to be expended by the department for administrative purposes; and

(6) Grant summaries, including the applicant municipality, project description, grant amount requested, amount and type of matching funds, and reasons for approval or denial based on evaluation criteria from section 13-2707 or 13-2707.01 for every application seeking assistance under the act.

Source: Laws 1999, LB 382, § 21; Laws 2011, LB404, § 2; Laws 2013, LB153, § 10; Laws 2014, LB867, § 1.

13-2710. Rules and regulations.

The department shall adopt and promulgate rules and regulations to carry out the Civic and Community Center Financing Act.

Source: Laws 1999, LB 382, § 22; Laws 2011, LB297, § 8.

**CIVIC AND COMMUNITY CENTER FINANCING FUND AWARDS
2015**

Municipal	2015 Awarded Project	Grant
Chadron	Chadron Area Aquatic and Wellness	\$375,000
Humboldt	Humboldt Auditorium	\$375,000
Plainview	Plainview Public Library	\$375,000
St. Paul	St. Paul Area Community Center	\$375,000
Pilger	Pilger Community Center	\$250,000
Panama	Panama Community Center	\$74,050
David City	David City Municipal Auditorium	\$60,000
Walthill	Library Project	\$55,000
Atkinson	Atkinson Community Center	\$35,170
Blue Hill	Pool and Recreation Center (Planning)	\$10,000
Cody	Recreation Center (Planning)	\$10,000
Crete	Conference and Convention Center	\$10,000
Potter	Community and Recreation Center	\$10,000
Wakefield	Community Center (Planning)	\$10,000
Ravenna	Public Library (Planning)	\$5,200
	Total Awarded Amount	\$2,029,420

Municipality	Project	Grant Amount	Year Awarded
Grand Island	Heartland Event Center	\$500,000.00	2004
Kimball	Event Center	\$97,500.00	2005
Hastings	Museum of Natural and Cultural History	\$120,000.00	2005
Arnold	Community Center	\$100,000.00	2005
Miller	Community Hall	\$25,400.00	2005
Stuart	White Horse Museum	\$20,000.00	2005
David City	Municipal Auditorium	\$47,000.00	2005
Maywood	Community Hall	\$40,765.00	2005
Gering	Civic Center	\$200,000.00	2008
Humphrey	Community Building	\$100,000.00	2008
Papillion	Sumtur Amphitheater at Walnut Park	\$300,000.00	2008
South Sioux City	Scenic Park East Memorial/Interpretive Center	\$300,000.00	2008
Atkinson	Community Center	\$47,410.00	2008
Creston	Community Center	\$40,000.00	2008
Bancroft	Community Building	\$35,750.00	2008
Firth	Community Center	\$28,000.00	2008
Kennard	Municipal Auditorium	\$50,000.00	2008
Tobias	Library/Museum	\$40,000.00	2008
Tekamah	Library	\$100,000.00	2008
Brownville	Opera House	\$37,587.00	2009
Cairo	Community Center	\$99,000.00	2009
Odell	Rice Lodge and Conference Center	\$88,000.00	2009
Beaver City	Civic Center	\$51,500.00	2009
Blue Hill	Community Center	\$20,000.00	2009
Dannebrog	Dansk Hall Community Center	\$69,438.00	2009
Stapleton	Community Center	\$90,000.00	2009
Beatrice	Carnegie Building Civic and Cultural Center	\$318,000.00	2010
Clarkson	Opera House	\$36,859.00	2010
Crawford	Community Building	\$27,600.00	2010
Fremont	Christensen Field Main Indoor Arena	\$305,000.00	2010
West Point	Community Theater	\$250,000.00	2010
Wilber	Czech Cultural Center	\$150,000.00	2010
Sidney	Convention and Training Center	\$250,000.00	2012
York	Holthus Convention Center	\$250,000.00	2013
Red Cloud	Auld Public Library	\$250,000.00	2013
Ogallala	Flat Water Pavilion	\$250,000.00	2013
Ashland	Community Resource Center	\$119,862.58	2013
Hastings	City Auditorium	\$750,000.00	2014
Pender	Community Center	\$375,000.00	2014
Lyons	Community Center	\$375,000.00	2014
Burwell	Burwell Area/Calamus Conference Center	\$375,000.00	2014
Hickman	Community Center	\$375,000.00	2014
Lexington	Fieldhouse	\$600,000.00	2014
Bellevue	Convention Center	\$1,125,000.00	2014
South Sioux City	Recreation Center (Planning)	\$10,000.00	2014
Kearney	Recreation (Planning)	\$10,000.00	2014

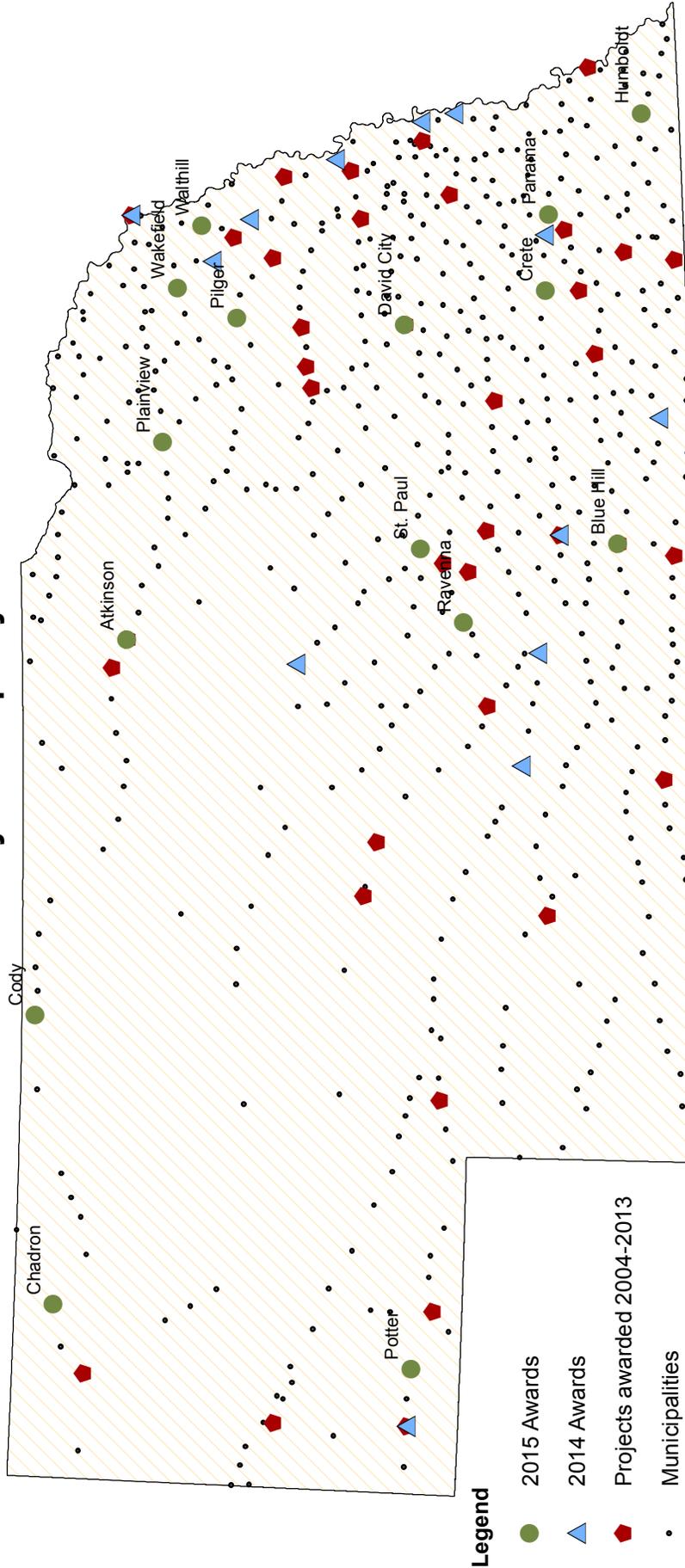
Plattsmouth	Downtown Entertainment Plaza (Planning)	\$10,000.00	2014
Kimball	Event Center	\$250,000.00	2014
Blair	Library and Technology Center	\$375,000.00	2014
Deshler	Public Library	\$250,000.00	2014
Totals:		\$9,734,671.58	

**Other Funds include: local matching funds by the municipality, other grant funds, contributions, and in-kind matching fu

Total awards by funding year	
2004	\$500,000.00
2005	\$450,665.00
2006	---
2007	---
2008	\$1,241,160.00
2009	\$455,525.00
2010	\$1,087,459.00
2011	---
2012	\$250,000.00
2013	\$869,862.58
2014	\$4,880,000.00

Source: Nebraska Department of Economic Development

CCCCFF Awards by Municipality: 2004-2015



- Legend**
- 2015 Awards
 - ▲ 2014 Awards
 - ◆ Projects awarded 2004-2013
 - Municipalities

Municipality	Project	Request	Award
Chadron	Area Aquatic and Wellness Facility	\$375,000	\$375,000
Humboldt	Humboldt Auditorium	\$375,000	\$375,000
Plainview	Plainview Public Library	\$375,000	\$375,000
St. Paul	Area Community Center	\$375,000	\$375,000
Pilger	Community Center	\$250,000	\$250,000
Panama	Community Center	\$74,050	\$74,050
David City	Municipal Auditorium	\$60,000	\$60,000
Walthill	Library Project	\$55,000	\$55,000
Atkinson	Community Center	\$35,170	\$35,170
Total Construction Projects		\$1,974,220	\$1,974,220

Municipality	Project	Request	Award
Blue Hill	Pool and Recreation Center	\$10,000	\$10,000
Cody	Recreation Center	\$10,000	\$10,000
Crete	Conference and Convention Center	\$10,000	\$10,000
Potter	Community and Recreation Center	\$10,000	\$10,000
Wakefield	Community Center	\$10,000	\$10,000
Ravenna	Public Library	\$5,200	\$5,200
Total Planning Projects		\$55,200	\$55,200

Total Construction Projects	\$1,974,220.00
Total Planning Projects	\$55,200.00
Total FY2015-2016 Awards	\$2,029,420.00

SPORTS ARENA FACILITY FINANCING ASSISTANCE ACT

13-3101. Act, how cited.

Sections 13-3101 to 13-3109 shall be known and may be cited as the Sports Arena Facility Financing Assistance Act.

Source: Laws 2010, LB779, § 7.

13-3102. Terms, defined.

For purposes of the Sports Arena Facility Financing Assistance Act:

(1) Board means a board consisting of the Governor, the State Treasurer, the chairperson of the Nebraska Investment Council, the chairperson of the Nebraska State Board of Public Accountancy, and a professor of economics on the faculty of a state postsecondary educational institution appointed to a two-year term on the board by the Coordinating Commission for Postsecondary Education. For administrative and budget purposes only, the board shall be considered part of the Department of Revenue;

(2) Bond means a general obligation bond, redevelopment bond, lease-purchase bond, revenue bond, or combination of any such bonds;

(3) Eligible sports arena facility means:

(a) Any publicly owned, enclosed, and temperature-controlled building primarily used for sports that has a permanent seating capacity of at least three thousand but no more than seven thousand seats and in which initial occupancy occurs on or after July 1, 2010. Eligible sports arena facility includes stadiums, arenas, dressing and locker facilities, concession areas, parking facilities, and onsite administrative offices connected with operating the facilities; and

(b) Any racetrack enclosure licensed by the State Racing Commission in which initial occupancy occurs on or after July 1, 2010, including concession areas, parking facilities, and onsite administrative offices connected with operating the racetrack;

(4) General obligation bond means any bond or refunding bond issued by a political subdivision and which is payable from the proceeds of an ad valorem tax;

(5) Increase in state sales tax revenue means the amount of state sales tax revenue collected by a nearby retailer during the fiscal year for which state assistance is calculated minus the amount of state sales tax revenue collected by the nearby retailer in the fiscal year that ended immediately preceding the date of occupancy of the eligible sports arena facility, except that the amount of state sales tax revenue of a nearby retailer shall not be less than zero;

(6) Nearby retailer means a retailer as defined in section 77-2701.32 that is located within six hundred yards of an eligible sports arena facility, measured from the facility but not from any parking facility or other structure. The term includes a subsequent owner of a nearby retailer operating at the same location;

(7) New state sales tax revenue means:

(a) For nearby retailers that commenced collecting state sales tax during the period of time beginning twenty-four months prior to occupancy of the eligible sports arena facility and ending twenty-four months after the occupancy of the eligible sports arena facility, one hundred percent of the state sales tax revenue collected by the nearby retailer and sourced under sections 77-2703.01 to 77-2703.04 to a location within six hundred yards of the eligible sports arena facility; and

(b) For nearby retailers that commenced collecting state sales tax prior to twenty-four months prior to occupancy of the eligible sports arena facility, the increase in state sales tax revenue collected by the nearby retailer and sourced under sections 77-2703.01 to 77-2703.04 to a location within six hundred yards of the facility;

(8) Political subdivision means any city, village, or county; and

(9) Revenue bond means any bond or refunding bond issued by a political subdivision which is limited or special rather than a general obligation bond of the political subdivision and which is not payable from the proceeds of an ad valorem tax.

Source: Laws 2010, LB779, § 8.

13-3103. State assistance.

Any political subdivision or its governing body that has (1) acquired, constructed, improved, or equipped, (2) approved a general obligation bond issue to acquire, construct, improve, or equip, or (3) adopted a resolution authorizing the political subdivision to pursue a general obligation bond issue to acquire, construct, improve, or equip an eligible sports arena facility may apply to the board for state assistance. The state assistance shall only be used to pay back amounts expended or borrowed through one or more issues of bonds to be expended by the political subdivision to acquire, construct, improve, and equip the eligible sports arena facility.

Source: Laws 2010, LB779, § 9.

13-3104. Application; contents; board; duties.

(1) All applications for state assistance under the Sports Arena Facility Financing Assistance Act shall be in writing and shall include a certified copy of the approving action of the governing body of the applicant describing the proposed eligible sports arena facility and the anticipated financing.

(2) The application shall contain:

(a) A description of the proposed financing of the eligible sports arena facility, including the estimated principal and interest requirements for the bonds proposed to be issued in connection with the facility or the amounts necessary to repay the original investment by the applicant in the facility;

(b) Documentation of local financial commitment to support the project, including all public and private resources pledged or committed to the project and including a copy of any operating agreement or lease with substantial users of the facility; and

(c) Any other project information deemed appropriate by the board.

(3) Upon receiving an application for state assistance, the board shall review the application and notify the applicant of any additional information needed for a proper evaluation of the application.

(4) Any state assistance received pursuant to the act shall be used only for public purposes.

Source: Laws 2010, LB779, § 10.

13-3105. Public hearing; notice.

(1) After reviewing an application submitted under section 13-3104, the board shall hold a public hearing on the application.

(2) The board shall give notice of the time, place, and purpose of the public hearing by publication three times in a newspaper of general circulation in the area where the applicant is located. Such publication shall be not less than ten days prior to the hearing. The notice shall describe generally the eligible sports arena facility for which state assistance has been requested. The applicant shall pay the cost of the notice.

(3) At the public hearing, representatives of the applicant and any other interested persons may appear and present evidence and argument in support of or in opposition to the application or neutral testimony. The board may seek expert testimony and may require testimony of persons whom the board desires to comment on the application. The board may accept additional evidence after conclusion of the public hearing.

Source: Laws 2010, LB779, § 11.

13-3106. Application; approval; board; findings; temporary approval; when; board; quorum.

(1) After consideration of the application and the evidence, if the board finds that the facility described in the application is eligible and that state assistance is in the best interest of the state, the application shall be approved, except that an approval of an application submitted because of

the requirement in subdivision (3) of section 13-3103 is a temporary approval. If the general obligation bond issue is subsequently approved by the voters of the political subdivision, the approval by the board becomes permanent. If the general obligation bond issue is not approved by such voters, the temporary approval shall become void.

(2) In determining whether state assistance is in the best interest of the state, the board shall consider the fiscal and economic capacity of the applicant to finance the local share of the facility.

(3) A majority of the board members constitutes a quorum for the purpose of conducting business. All actions of the board shall be by a majority vote of all the board members, one of whom must be the Governor.

Source: Laws 2010, LB779, § 12.

13-3107. Tax Commissioner; duties; Department of Revenue; rules and regulations.

(1) If an application is approved, the Tax Commissioner shall:

(a) Audit or review audits of the approved eligible sports arena facility to determine the (i) state sales tax revenue collected by retailers doing business at such facility on sales at such facility, (ii) state sales tax revenue collected on primary and secondary box office sales of admissions to such facility, and (iii) new state sales tax revenue collected by nearby retailers;

(b) Certify annually the amount of state sales tax revenue and new state sales tax revenue determined under subdivision (a) of this subsection to the Legislature; and

(c) Determine if more than one facility is eligible for state assistance from state sales tax revenue collected by the same nearby retailers. If the Tax Commissioner has made such a determination, the facility that was first determined to be eligible for state assistance shall be the only facility eligible to receive such funds.

(2) State sales tax revenue collected by retailers that are doing business at an eligible sports arena facility and new state sales tax revenue collected by nearby retailers shall be reported on informational returns developed by the Department of Revenue and provided to any such retailers by the facility. The informational returns shall be submitted to the department by the retailer by the twentieth day of the month following the month the sales taxes are collected. The Tax Commissioner shall use the data from the informational returns and sales tax returns of both such categories of retailers and the sports arena facility for purposes of the Sports Arena Facility Financing Assistance Act.

(3) On or before April 1, 2014, the Tax Commissioner shall certify to the State Treasurer, for each eligible sports arena facility for which state assistance has been approved, the total amount of state sales tax revenue and new state sales tax revenue described in subdivisions (1)(a)(i) through (iii) of this section that was collected from July 1, 2013, through December 31, 2013. The certified amount shall be used for purposes of making the transfer required under subdivision (2)(a)

of section 13-3108 and making the distribution of state assistance described in subsection (4) of section 13-3108.

(4) Beginning in 2014, the Tax Commissioner shall use data from the informational returns and sales tax returns described in subsection (2) of this section to certify quarterly, for each eligible sports arena facility for which state assistance has been approved, the total amount of state sales tax revenue and new state sales tax revenue described in subdivisions (1)(a)(i) through (iii) of this section that was collected in the preceding calendar quarter. The Tax Commissioner shall certify such amount to the State Treasurer within sixty days after the end of each calendar quarter, and such certification shall be used for purposes of making the transfers required under subdivision (2)(b) of section 13-3108 and making the quarterly distributions of state assistance described in subsection (5) of section 13-3108.

(5) The Department of Revenue may adopt and promulgate rules and regulations to carry out the Sports Arena Facility Financing Assistance Act.

Source: Laws 2010, LB779, § 13; Laws 2011, LB210, § 2; Laws 2014, LB867, § 2.

13-3108. Sports Arena Facility Support Fund; created; investment; State Treasurer; duties; state assistance; use.

(1) The Sports Arena Facility Support Fund is created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2)(a) Upon receiving the certification described in subsection (3) of section 13-3107, the State Treasurer shall transfer the amount certified to the fund.

(b) Upon receiving the quarterly certification described in subsection (4) of section 13-3107, the State Treasurer shall transfer the amount certified to the fund.

(3)(a) It is the intent of the Legislature to appropriate from the fund money to be distributed as provided in subsections (4) and (5) of this section to any political subdivision for which an application for state assistance under the Sports Arena Facility Financing Assistance Act has been approved an amount not to exceed seventy percent of the (i) state sales tax revenue collected by retailers doing business at eligible sports arena facilities on sales at such facilities, (ii) state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and (iii) new state sales tax revenue collected by nearby retailers and sourced under sections 77-2703.01 to 77-2703.04 to a location within six hundred yards of the eligible facility.

(b) The amount to be appropriated for distribution as state assistance to a political subdivision under this subsection for any one year after the tenth year shall not exceed the highest such amount appropriated under subdivision (3)(a) of this section during any one year of the first ten years of such appropriation. If seventy percent of the state sales tax revenue as described in subdivision (3)(a) of this section exceeds the amount to be appropriated under this subdivision, such excess funds shall be transferred to the General Fund.

(4) The amount certified under subsection (3) of section 13-3107 shall be distributed as state assistance on or before April 15, 2014.

(5) Beginning in 2014, quarterly distributions and associated transfers of state assistance shall be made. Such quarterly distributions and transfers shall be based on the certifications provided under subsection (4) of section 13-3107 and shall occur within fifteen days after receipt of such certification.

(6) The total amount of state assistance approved for an eligible sports arena facility shall not (a) exceed fifty million dollars or (b) be paid out for more than twenty years after the issuance of the first bond for the sports arena facility.

(7) State assistance to the political subdivision shall no longer be available upon the retirement of the bonds issued to acquire, construct, improve, or equip the facility or any subsequent bonds that refunded the original issue or when state assistance reaches the amount determined under subsection (6) of this section, whichever comes first.

(8) State assistance shall not be used for an operating subsidy or other ancillary facility.

(9) The thirty percent of state sales tax revenue remaining after the appropriation and transfer in subsection (3) of this section shall be appropriated by the Legislature and transferred quarterly beginning in 2014 to the Civic and Community Center Financing Fund.

(10) Except as provided in subsection (11) of this section for a city of the primary class, any municipality that has applied for and received a grant of assistance under the Civic and Community Center Financing Act shall not receive state assistance under the Sports Arena Facility Financing Assistance Act for the same project for which the grant was awarded under the Civic and Community Center Financing Act.

(11) A city of the primary class shall not be eligible to receive a grant of assistance from the Civic and Community Center Financing Act if the city has applied for and received a grant of assistance under the Sports Arena Facility Financing Assistance Act.

Source: Laws 2010, LB779, § 14; Laws 2011, LB297, § 9; Laws 2012, LB426, § 2; Laws 2014, LB867, § 3; Laws 2015, LB170, § 1.

Effective Date: August 30, 2015

Cross References

- **Civic and Community Center Financing Act**, see section 13-2701.
- **Nebraska Capital Expansion Act**, see section 72-1269.
- **Nebraska State Funds Investment Act**, see section 72-1260.

13-3109. Bonds and refunding bonds; issuance; procedure; security; treatment.

(1) The applicant political subdivision may issue from time to time its bonds and refunding bonds to finance and refinance the acquisition, construction, improving, and equipping of eligible sports arena facilities. The bonds may be sold by the applicant in such manner and for such price as the applicant determines, at a discount, at par, or at a premium, at private negotiated sale or at public sale, after notice published prior to the sale in a legal newspaper having general circulation in the political subdivision or in such other medium of publication as the applicant deems appropriate. The bonds shall have a stated maturity of twenty years or less and shall bear interest at such rate or rates and otherwise be issued in accordance with the respective procedures and with such other terms and provisions as are established, permitted, or authorized by applicable state laws and home rule charters for the type of bonds to be issued. Such bonds may be secured as to payment in whole or in part by a pledge, as shall be determined by the applicant, from the income, proceeds, and revenue of the eligible sports arena facilities financed with proceeds of such bonds, from the income, proceeds, and revenue of any of its eligible sports arena facilities, or from its revenue and income, including its sales, use, or occupation tax revenue, fees, or receipts, as may be determined by the applicant. The applicant may further secure the bonds by a mortgage or deed of trust encumbering all or any portion of the eligible sports arena facilities and by a bond insurance policy or other credit support facility. No general obligation bonds, except refunding bonds, shall be issued until authorized by greater than fifty percent of the applicant's electors voting on the question as to their issuance at any election as defined in section 32-108. The face of the bonds shall plainly state that the bonds and the interest thereon shall not constitute nor give rise to an indebtedness, obligation, or pecuniary liability of the state nor a charge against the general credit, revenue, or taxing power of the state. Bonds of the applicant are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempt from all state income taxes.

(2) All payments to political subdivisions under the Sports Arena Facility Financing Assistance Act are made subject to specific appropriation for such purpose.

Source: Laws 2010, LB779, § 15.

INDUSTRIAL DEVELOPMENT BONDS

13-1101. Terms, defined.

As used in sections 13-1101 to 13-1110, unless the context otherwise requires:

(1) Municipality means any incorporated city or village in the state, including cities operating under home rule charters and entities created by interlocal agreements among cities, villages, and counties;

(2) Nonprofit enterprise means any activity, venture, undertaking, trade, or business conducted or to be conducted by a nonprofit organization incorporated or authorized to do business in this state as permitted under its governing documents and the applicable laws of its jurisdiction of organization;

(3) Project means (a) any land, building, or equipment or other improvement, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for use for manufacturing or industrial enterprises, (b) any land, building, or equipment or other improvement, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for use as a nonprofit enterprise or the refinancing of outstanding debt of a nonprofit enterprise incurred to finance such land, building, equipment, improvement, or other properties, except that a project under this subdivision shall not include any portion of such land, building, equipment, improvement, or other properties or the refinancing thereof to the extent used for sectarian instruction or study or devotional activities or religious worship, or (c) any land, building, or improvements located in a blighted area located within a city of the metropolitan, primary, first, or second class, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for any enterprise, including, but not limited to, profit or nonprofit commercial, business, governmental, or multifamily housing enterprises;

(4) Governing body means the board or body in which the general legislative powers of the municipality or county are vested;

(5) Mortgage means a mortgage or a mortgage and deed of trust, or other security device; and

(6) Blighted area means an area within a municipality (a) which by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use, and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred

twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the municipality for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the municipality in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted.

Source: Laws 1961, c. 54, § 1, p. 200; Laws 1983, LB 451, § 1; Laws 1984, LB 1084, § 1; R.S.Supp., 1986, § 18-1614; Laws 2011, LB159, § 1.

Annotations

- The authority of a municipality or county to use public funds to own, acquire, develop, lease, and sell real and personal property for industrial development is measured by the provisions of Article XIII, section 2, of the Nebraska Constitution, and the enabling statutes lawfully enacted by the Legislature. *Chase v. County of Douglas*, 195 Neb. 838, 241 N.W.2d 334 (1976).
- Constitution was amended to authorize Industrial Development Act. *Engelmeyer v. Murphy*, 180 Neb. 295, 142 N.W.2d 342 (1966).
- Industrial Development Act of 1961 was in major part sustained as constitutional. *State ex rel. Meyer v. County of Lancaster*, 173 Neb. 195, 113 N.W.2d 63 (1962).

13-1102. Governing body; powers.

(1) In addition to any other powers which it may have, each municipality and each county shall have without any other authority the following powers:

(a) To acquire, whether by construction, purchase, devise, gift, or lease, or any one or more of such methods, one or more projects, which shall be located within this state, and may be located within, without, partially within, or partially without the municipality or county;

(b) To lease to others any or all of its projects for such rentals and upon such terms and conditions as the governing body may deem advisable and as shall not conflict with sections 13-1101 to 13-1110;

(c) To finance the acquisition, construction, rehabilitation, or purchase of projects in blighted areas. The power to finance such projects in blighted areas means and includes the power to enter into any type of agreement, including a loan agreement, when the other party to the agreement agrees (i) to use the proceeds of money provided under the agreement to pay the costs of such acquisition, construction, rehabilitation, or purchase and any costs incident to the issuance of the related bonds and the funding of any reserve funds, (ii) to be bound by the terms of the Age Discrimination in Employment Act, the Nebraska Fair Employment Practice Act, and sections 48-1219 to 48-1227, regardless of the number of employees, and (iii) to make payments to the

municipality or county sufficient to enable it to pay on a timely basis all principal, redemption premiums, and interest on the related revenue bonds issued to provide such financing, and any amounts necessary to repay such municipality or county for any and all costs incurred by it that are incidental to such financing. Title to any such project in a blighted area need not be in the name of the municipality or county, but may be in the name of a private party;

(d) To acquire, own, develop, lease, or finance or refinance the acquisition, construction, rehabilitation, or purchase of one or more projects for use as a nonprofit enterprise, regardless of whether such project or projects are within a blighted area. Such projects shall be located within this state and may be located within, without, partially within, or partially without the municipality or county; **Provided**, for any project located without the municipality or county, such municipality or county shall find that a reasonable relationship exists between such municipality or county and the project, borrower, or other party or parties to the financing agreement, as applicable. The power to finance such projects means and includes the power to enter into any type of agreement, including a loan agreement, when the other party to the agreement agrees (i) to use the proceeds of money provided under the agreement to pay the costs of such acquisition, construction, rehabilitation, or purchase and any costs incident to the issuance of the related bonds and the funding of any reserve funds and (ii) to make payments to the municipality or county sufficient to enable it to pay on a timely basis all principal, redemption premiums, and interest on the related revenue bonds issued to provide such financing and any amounts necessary to repay such municipality or county for any and all costs incurred by it that are incidental to such financing. Title to any such project need not be in the name of the municipality or county but may be in the name of a private party;

(e) To issue revenue bonds for the purpose of defraying the cost of acquiring, improving, or financing any project or projects, including the cost of any real estate previously purchased and used for such project or projects, or the cost of any option in connection with acquiring such property, and to secure the payment of such bonds as provided in sections 13-1101 to 13-1110, which revenue bonds may be issued in two or more series or issues where deemed advisable, and each such series or issue may contain different maturity dates, interest rates, priorities on revenue available for payment of such bonds and priorities on securities available for guaranteeing payment thereof, and such other differing terms and conditions as are deemed necessary and are not in conflict with sections 13-1101 to 13-1110; and

(f) To sell and convey any real or personal property acquired as provided by subdivision (1)(a) of this section and make such order respecting the same as may be deemed conducive to the best interest of the municipality or county, except that such sale or conveyance shall be subject to the terms of any lease but shall be free and clear of any other encumbrance.

(2) No municipality or county shall have the power to (a) operate any project, referred to in this section, as a business or in any manner except as the lessor thereof, (b) lease any project acquired under powers conferred by this section for use principally for commercial feeding of livestock, (c) issue bonds under this section principally for the purpose of financing the construction or acquisition of commercial feeding facilities for livestock, or (d) acquire any project or any part thereof by condemnation.

Source: Laws 1961, c. 54, § 2, p. 201; Laws 1967, c. 86, § 1, p. 271; Laws 1972, LB 1261, § 2; Laws 1983, LB 451, § 2; R.S.1943, (1983), § 18-1615; Laws 2007, LB265, § 1; Laws 2011, LB159, § 2.

Cross References

- **Age Discrimination in Employment Act**, see section 48-1001.
- **Nebraska Fair Employment Practice Act**, see section 48-1125.

Annotations

- Power to sell property was within scope of title to act. *State ex rel. Meyer v. County of Lancaster*, 173 Neb. 195, 113 N.W.2d 63 (1962).

13-1103. Bonds; restrictions; issuance; sale.

(1) All bonds issued by a municipality or county under the authority of sections 13-1101 to 13-1110 shall be limited obligations of the municipality or county. Bonds and interest coupons, issued under the authority of sections 13-1101 to 13-1110, shall not constitute nor give rise to a pecuniary liability of the municipality or county or a charge against its general credit or taxing powers. Such limitation shall be plainly stated upon the face of each of such bonds.

(2) Such bonds may (a) be executed and delivered at any time and from time to time, (b) be in such form and denominations, (c) be of such tenor, (d) be in registered or bearer form either as to principal or interest or both, (e) be payable in such installments and at such time or times not exceeding thirty years from their date, (f) be payable at such place or places, (g) bear interest at such rate or rates, payable at such place or places, and evidenced in such manner, (h) be redeemable prior to maturity, with or without premium, and (i) contain such provisions not inconsistent with sections 13-1101 to 13-1110, as shall be deemed for the best interest of the municipality or county and provided for in the proceedings of the governing body under which the bonds shall be authorized to be issued.

(3) The authorization, terms, issuance, execution, or delivery of such bonds shall not be subject to sections 10-101 to 10-126.

(4) Such bonds may be sold at public or private sale in such manner and at such time or times as may be determined by the governing body to be most advantageous. The municipality or county may pay all expenses, premiums, and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale, and issuance thereof from the proceeds of the sale of the bonds or from the revenue of the projects.

(5) Such bonds and all interest coupons applicable thereto shall be construed to be negotiable instruments, despite the fact that they are payable solely from a specified source.

Source: Laws 1961, c. 54, § 3, p. 202; R.S.1943, (1983), § 18-1616; Laws 2001, LB 420, § 15.

13-1104. Bonds; security; agreements; default; payment; foreclosure.

(1) The principal of and interest on any bonds issued under the authority of sections 13-1101 to 13-1110 (a) shall be secured by a pledge of the revenue out of which such bonds shall be made payable, (b) may be secured by a mortgage covering all or any part of the project, (c) may be secured by a pledge of the lease of such project or by any related financing agreement, or (d) may be secured by such other security device as may be deemed most advantageous by the issuing authority and other parties to the transaction.

(2) The proceedings under which the bonds are authorized to be issued under sections 13-1101 to 13-1110 and any mortgage given to secure the same may contain any agreements and provisions customarily contained in instruments securing bonds, including, without limiting the generality of the foregoing, provisions respecting (a) the fixing and collection of rents for any project covered by such proceedings or mortgage, (b) the terms to be incorporated in the lease or financing of such project, (c) the maintenance and insurance of such project, (d) the creation and maintenance of special funds from the revenue of such project, and (e) the rights and remedies available in the event of a default to the bondholders or to the trustee under a mortgage, all as the governing body shall deem advisable and as shall not be in conflict with sections 13-1101 to 13-1110. In making any such agreements or provisions, a municipality or county shall not have the power to obligate itself, except with respect to the project and the application of the revenue therefrom, and shall not have the power to incur a pecuniary liability or a charge upon its general credit or against its taxing powers.

(3) The proceedings authorizing any bonds under sections 13-1101 to 13-1110 and any mortgage securing such bonds may provide that, in the event of a default in the payment of the principal of or the interest on such bonds or in the performance of any agreement contained in such proceedings or mortgage, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents and to apply the revenue from the project in accordance with such proceedings or the provisions of such mortgage.

(4) Any mortgage made under sections 13-1101 to 13-1110 to secure bonds issued thereunder may also provide that, in the event of a default in the payment thereof or the violation of any agreement contained in the mortgage, the mortgage may be foreclosed and sold under proceedings in equity or in any other manner now or hereafter permitted by law. Such mortgage may also provide that any trustee under such mortgage or the holder of any of the bonds secured thereby may become the purchaser at any foreclosure sale if it is the highest bidder therefor. No breach of any such agreement shall impose any pecuniary liability upon a municipality or county or any charge upon their general credit or against their taxing powers.

Source: Laws 1961, c. 54, § 4, p. 203; Laws 1983, LB 451, § 3; R.S.1943, (1983), § 18-1617; Laws 2011, LB159, § 3.

13-1105. Leasing or financing of project; governing body; powers and duties; hearing.

(1) Prior to the leasing or financing of any project, the governing body must determine and find the following: The amount necessary to pay the principal of and the interest on the bonds

proposed to be issued to finance such project; the amount necessary to be paid into any reserve funds which the governing body may deem it advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project including taxes; and, with respect to leases, unless the terms under which the project is to be leased provide that the lessee shall maintain the project and carry all proper insurance with respect thereto, the estimated cost of maintaining the project in good repair and keeping it properly insured.

(2) The determinations and findings of the governing body, required to be made by subsection (1) of this section, shall be set forth in the proceedings under which the proposed bonds are to be issued. Prior to the issuance of the bonds authorized by sections 13-1101 to 13-1110, the municipality or county shall (a) lease the project to a lessee or lessees under an agreement conditioned upon completion of the project and providing for payment to the municipality or county of such rentals as, upon the basis of such determinations and findings, will be sufficient (i) to pay the principal of and interest on the bonds issued to finance the project, (ii) to pay the taxes on the project, (iii) to build up and maintain any reserves deemed by the governing body to be advisable in connection therewith, and (iv) unless the agreement of lease obligates the lessees to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured or (b) enter into a financing agreement pursuant to subdivision (1)(c) or (d) of section 13-1102. Subject to the limitations of sections 13-1101 to 13-1110, the lease or financing agreement or extensions or modifications thereof may contain such other terms and conditions as may be mutually acceptable to the parties. Notwithstanding any other provisions of law relating to the sale of property owned by municipalities and counties, any such lease may contain an option for the lessees to purchase the project on such terms and conditions as may be mutually acceptable to the parties.

(3) At a public hearing or at the adjournment of such hearing, the governing body of the city in which the proposed project is located shall determine whether the location of the proposed project is within a blighted area and whether the proposed project is within the development plan or plans for the area. Notice of the time and place of the hearing shall be published at least two times not less than seven days prior to the hearing in a legal newspaper having a general circulation within the boundaries of the city. Upon a favorable resolution by the governing body of the city where the proposed project is located, the governing body of the city or county may proceed to issue bonds.

(4) The requirements for notice and public hearing as set forth in subsection (3) of this section shall not apply to projects for manufacturing or industrial enterprises or for nonprofit enterprises as described in subdivision (3)(a) or (b) of section 13-1101 or refunding bonds authorized under section 13-1106.

Source: Laws 1961, c. 54, § 5, p. 204; Laws 1983, LB 451, § 4; R.S.1943, (1983), § 18-1618; Laws 2011, LB159, § 4.

13-1106. Refunding bonds; issuance; amount; rights of holders.

Any bonds issued under the provisions of sections 13-1101 to 13-1110 and at any time outstanding may at any time and from time to time be refunded by a municipality or county by the

issuance of its refunding bonds in such amount as the governing body may deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be so refunded, together with any unpaid interest thereon and any premiums and commission necessary to be paid in connection therewith. Any such refunding may be effected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof for the payment of the bonds to be refunded thereby, or by exchange of the refunding bonds for the bonds to be refunded thereby; **Provided**, that the holders of any bonds to be so refunded shall not be compelled without their consent to surrender their bonds for payment or exchange prior to the date on which they are payable by maturity date, option to redeem, or otherwise or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption by option or otherwise. Any refunding bonds issued under the authority of sections 13-1101 to 13-1110 shall be subject to the provisions contained in section 13-1103 and may be secured in accordance with the provisions of section 13-1104.

Source: Laws 1961, c. 54, § 6, p. 205; Laws 1963, c. 77, § 3, p. 283; R.S.1943, (1983), § 18-1619.

13-1107. Bonds; proceeds from sale; disposition.

The proceeds from the sale of any bonds issued under authority of sections 13-1101 to 13-1110 shall be applied only for the purpose for which the bonds were issued; **Provided**, that any accrued interest and premium received in any such sale shall be applied to the payment of the principal of or the interest on the bonds sold; **and provided further**, that if for any reason any portion of such proceeds shall not be needed for the purpose for which the bonds were issued, then such unneeded portion of said proceeds shall be applied to the payment of the principal of or the interest on said bonds. The cost of acquiring or improving any project shall be deemed to include the following: The actual cost of acquiring or improving real estate for any project; the actual cost of construction of all or any part of a project which may be constructed, including architects' and engineers' fees, all expenses in connection with the authorization, sale and issuance of the bonds to finance such acquisition or improvement; and the interest on such bonds for a reasonable time prior to construction, during construction, and for not exceeding six months after completion of construction.

Source: Laws 1961, c. 54, § 7, p. 206; R.S.1943, (1983), § 18-1620.

13-1108. Projects; taxation; distress warrant; limitation.

Notwithstanding that title to a project may be in a municipality or county, such projects shall be subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances, if such projects are leased to or held by private interests; **Provided**, that where personal property owned by a municipality or county is taxed under this section and such personal property taxes are delinquent, levy by distress warrant for collection of such delinquent taxes may only be made on personal property against which such taxes were levied.

Source: Laws 1961, c. 54, § 8, p. 207; R.S.1943, (1983), § 18-1621.

Annotations

- Portion of this section was unconstitutional as granting greater exemption than was authorized by constitutional amendment permitting tax. *State ex rel. Meyer v. County of Lancaster*, 173 Neb. 195, 113 N.W.2d 63 (1962).

13-1109. Powers; cumulative; presumption regarding bonds and agreements.

(1) Sections 13-1101 to 13-1110 shall not be construed as a restriction or limitation upon any powers which a municipality or county might otherwise have under any laws of this state but shall be construed as cumulative.

(2) Sections 13-1101 to 13-1110 shall be full authority for the exercise of the powers described in such sections by a municipality or county, and no action, proceeding, or election shall be required prior to the exercise of such powers under such sections or to authorize the exercise of any of the powers granted in such sections, except as specifically provided in such sections, any provision of law applicable to a municipality or county to the contrary notwithstanding. No proceedings for the issuance of bonds of a municipality or county shall be required other than those required by sections 13-1101 to 13-1110, and the provisions of all other laws and charters of any municipality or county, if any, relative to the terms and conditions for the acquisition, leasing, financing construction, rehabilitation, or purchase of projects as provided in such sections and the issuance, payment, redemption, registration, sale, or delivery of bonds by a municipality or county shall not be applicable to bonds issued by a municipality or county pursuant to such sections. No municipality, county, or governing body or officer thereof shall be subject to the Securities Act of Nebraska with respect to any revenue bonds issued under sections 13-1101 to 13-1110. Insofar as sections 13-1101 to 13-1110 are inconsistent with the provisions of any other law or of any law otherwise applicable to a municipality or county, if any, sections 13-1101 to 13-1110 shall be controlling.

(3) In any suit, action, or proceeding involving the validity or enforceability of any bond of a municipality or county or the security therefor brought after the lapse of thirty days after the issuance of such bonds has been authorized, any such bond reciting in substance that it has been authorized by the municipality or county to aid in financing a project shall be conclusively deemed to have been authorized for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with sections 13-1101 to 13-1110.

(4) In any suit, action, or proceeding involving the validity or enforceability of any agreement of a municipality or county brought after the lapse of thirty days after the agreement has been formally entered into, any such agreement reciting in substance that it has been entered into by the municipality or county to provide financing for a project shall be conclusively deemed to have been entered into for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with sections 13-1101 to 13-1110.

Source: Laws 1961, c. 54, § 9, p. 207; R.S.1943, (1983), § 18-1622; Laws 2011, LB159, § 5.

Cross References

- **Securities Act of Nebraska**, see section 8-1123.

13-1110. Department of Economic Development; furnish advice and information.

The Department of Economic Development shall furnish advice and information in connection with a project when requested to do so by a county or municipality.

Source: Laws 1961, c. 54, § 10, p. 207; Laws 1969, c. 104, § 1, p. 479; R.S.1943, (1983), § 18-1623.

COUNTY INDUSTRIAL AREAS

13-1111. Terms, defined; application for designation; exceptions.

As used in sections 13-1111 to 13-1120, unless the context otherwise requires: (1) Industrial area shall mean a tract of land used or reserved for the location of industry, except that such land may be used for agricultural purposes until the use is converted for the location of industry as set forth in sections 13-1111 to 13-1120; and (2) industry shall mean (a) any enterprise whose primary function is to manufacture, process, assemble, or blend any agricultural, manufactured, mineral, or chemical products; (b) any enterprise that has as its primary function that of storing, warehousing, or distributing, and specifically excluding those operations whose primary function is to directly sell to the general public; or (c) any enterprise whose primary function is research in connection with any of the foregoing, or primarily exists for the purpose of developing new products or new processes, or improving existing products or known processes. The owner or owners of any contiguous tract of real estate containing twenty acres or more, no part of which is within the boundaries of any incorporated city or village, except cities of the metropolitan or primary class, may file or cause to be filed with the county clerk of the county in which the greater portion of such real estate is situated if situated in more than one county, an application requesting the county board of such county to designate such contiguous tract as an industrial area.

Source: Laws 1957, c. 51, § 1, p. 240; Laws 1963, c. 86, § 2, p. 295; Laws 1965, c. 84, § 1, p. 324; Laws 1979, LB 217, § 1; R.S.1943, (1983), § 19-2501.

Annotations

- Property involved was designated an industrial area. *Lund v. Orr*, 181 Neb. 361, 148 N.W.2d 309 (1967).
- Right of county board to create industrial areas was superior to right of city to zone under Suburban Development Act. *City of Grand Island v. Ehlers*, 180 Neb. 331, 142 N.W.2d 770 (1966).

13-1112. Municipal bodies; notification of filing; approval; failure to reply; effect.

Upon filing the petition under the provisions of section 13-1111, the county clerk, or if the real estate is situated in more than one county, the county clerk of the county having the greater portion of such real estate, shall notify such municipal legislative bodies in whose area of zoning jurisdiction an industrial tract is located in whole or in part as shall have developed a comprehensive development plan and shall be exercising zoning jurisdiction in the area concerned. Such notification shall request approval or disapproval by the municipal legislative body of the designation of such tract within thirty days after receipt of such notification, which approval may be conditioned upon terms agreed to between the city and county. The designation of any tract as an industrial area shall be in compliance with the zoning ordinances, subdivision regulations, and appropriate ordinances and regulations of such city or village. If formal reply to the notification of the county board's intention to designate such tract as an industrial area is not received within thirty days, the county board shall construe such inaction as approval of such designation.

Source: Laws 1967, c. 99, § 1, p. 299; Laws 1979, LB 217, § 2; R.S.1943, (1983), § 19-2501.01.

13-1113. Hearing; notice.

Upon filing the petition, the county clerk, or, if the real estate is situated in more than one county, the county clerk of the county having the greater portion of such real estate, shall designate and endorse thereon a day for the hearing and determination of the petition by the county board of such county which date shall not be less than thirty days nor more than ninety days subsequent to the filing of said petition. The county clerk shall publish a notice once each week three successive weeks in some newspaper published and of general circulation in the county or counties in which the real estate is located and, if no newspaper is published in the county or counties, such notice shall be published in some newspaper having a general circulation therein. The notice shall state the time and place of hearing and the land affected thereby.

Source: Laws 1957, c. 51, § 2, p. 240; Laws 1965, c. 84, § 2, p. 324; R.S.1943, (1983), § 19-2502.

13-1114. Designation; procedure.

At the time fixed in the notice or on any adjourned day thereafter, any person interested may appear and be heard at a public hearing before the county board of the county in which the petition is filed. After such hearing, if the county board shall find from the evidence produced that (1) such tract is suitable for use as an industrial area, (2) it will be generally beneficial to the community, and (3) the owners of all the land embraced therein have consented to such designation, such board shall designate such tract as an industrial area and cause a certified copy of such order to be filed and recorded in the offices of the county assessor and the register of deeds of the county or counties in which the real estate is situated. If such tract is located in whole or in part within an unincorporated area over which any city or village exercises zoning control, the designation of such tract as an industrial area must first be approved by the municipal legislative body.

Source: Laws 1957, c. 51, § 3, p. 241; Laws 1965, c. 84, § 3, p. 324; Laws 1967, c. 99, § 2, p. 300; Laws 1979, LB 217, § 3; R.S.1943, (1983), § 19-2503.

Annotations

- County board has jurisdiction to designate an industrial area. *City of Grand Island v. Ehlers*, 180 Neb. 331, 142 N.W.2d 770 (1966).

13-1115. Designation; use; inclusion within municipality; when.

Upon designation of such tract as an industrial area by the county board of the county in which the petition is filed, such designated area shall thereupon be used or reserved for the location of industry. Such land may be used for agricultural purposes until the use is converted for the location of industry as set forth in sections 13-1111 to 13-1120. If such tract has a taxable valuation of more than two hundred eighty-six thousand dollars, it shall not be subject to inclusion within the boundaries of any incorporated city of the first or second class or village, except that such tract regardless of taxable valuation may be annexed if (1) it is located in a county with a population in excess of one hundred thousand persons and the city or village did not approve the original designation of such tract as an industrial area pursuant to section 13-1112, (2) the annexation is stipulated in the terms and conditions agreed upon between the county and the city or village in

any agreement entered into pursuant to section 13-1112, or (3) the owners of a majority in value of the property in such tract as shown upon the last preceding county assessment roll consent to such inclusion in writing or petition the city council or village board to annex such area.

Source: Laws 1957, c. 51, § 4, p. 241; Laws 1963, c. 86, § 3, p. 295; Laws 1965, c. 84, § 4, p. 325; Laws 1967, c. 99, § 3, p. 300; Laws 1979, LB 217, § 4; Laws 1979, LB 187, § 84; Laws 1980, LB 599, § 8; R.S.1943, (1983), § 19-2504; Laws 1991, LB 76, § 1; Laws 1992, LB 719A, § 31.

Annotations

- Industrial area was not subject to inclusion within boundaries of city. *City of Grand Island v. Ehlers*, 180 Neb. 331, 142 N.W.2d 770 (1966).

13-1116. Jurisdiction of county board.

During the period any area is designated as an industrial area as provided by sections 13-1111 to 13-1120, the county board in which the greater area of real estate is located shall have exclusive jurisdiction for zoning and otherwise regulating the use of the industrial area in such a way as to confer upon the owners and users thereof the benefits of a designated tract to be held and reserved for industrial purposes only; **Provided**, such authority shall not be granted to the county board if the zoning of such designated area is within the jurisdiction of any city or village.

Source: Laws 1957, c. 51, § 5, p. 241; Laws 1965, c. 84, § 5, p. 325; Laws 1979, LB 217, § 5; R.S.1943, (1983), § 19-2505.

Annotations

- County board has authority to designate industrial areas for zoning. *City of Grand Island v. Ehlers*, 180 Neb. 331, 142 N.W.2d 770 (1966).

13-1117. Utility services; fire and police protection.

During the time any tract is designated as an industrial area, as provided by sections 13-1111 to 13-1120, the owners of such designated area shall provide at their expense for water, electricity, sewer, and fire and police protection.

Source: Laws 1957, c. 51, § 7, p. 242; Laws 1979, LB 217, § 7; R.S.1943, (1983), § 19-2507.

Annotations

- During time a tract is designated as an industrial area, owners of property provide at their own expense for water, electricity, sewer, and fire protection. *City of Grand Island v. Ehlers*, 180 Neb. 331, 142 N.W.2d 770 (1966).

13-1118. Change of boundaries; inclusion of tracts.

The boundaries of the designated industrial area may be changed to include other tracts of real estate containing not less than ten acres when contiguous to the area designated as an industrial

area by filing a petition, publishing a notice thereof, and having a hearing on the petition in the same manner as when an original petition to designate a contiguous tract as an industrial area is filed. The county board of the county in which the petition was filed shall designate such additional tract in the industrial area to which the tract is to be attached if the board shall find that the conditions of the provisions of section 13-1114 are complied with. After such designation by such county board, such tract that is designated as part of the industrial area shall be governed by the provisions of sections 13-1111 to 13-1120 as though it was part of the original designated tract as an industrial area.

Source: Laws 1957, c. 51, § 6, p. 241; Laws 1965, c. 84, § 6, p. 325; Laws 1979, LB 217, § 6; R.S.1943, (1983), § 19-2506.

13-1119. Change of boundaries; exclusion of tracts.

The boundaries of a designated industrial area may be changed to exclude one or more tracts, or parts of tracts, of real estate within the area upon the request of the owner or owners of the tracts, or parts of tracts, proposed to be excluded, and by the owners filing a petition, publishing a notice thereof, and having a hearing on the petition in the same manner as when an original petition to designate a contiguous tract as an industrial area is filed. The county clerk of the county in which the tract proposed to be excluded is situated shall cause a copy of the published notice to be mailed by certified mail, within five days after the first publication of the notice, to each of the owners of record and other persons, if any, in possession of the real estate not proposed to be excluded from the industrial area, whose addresses are known to the county clerk. After the hearing, if the county board shall find that the best interests of the community and the industrial area will be served by the exclusion of the tracts, the county board shall enter an order excluding the tracts, or parts of tracts, requested to be excluded. When a certified copy of such order is filed with the register of deeds and county assessor of the county or counties in which the real estate excluded is located, such tracts, or parts of tracts, shall no longer be an industrial area.

Source: Laws 1975, LB 151, § 1; R.S.1943, (1983), § 19-2509.

13-1120. Termination of designation.

When the owner or owners of all of the contiguous tracts of real estate designated as an industrial area as provided by sections 13-1111 to 13-1118, shall file with the county board of the county in which such real estate is located, or the greater portion of such real estate, a petition requesting that the designation of the whole of the real estate as an industrial area be terminated, the county board shall enter an order determining that such real estate shall no longer be an industrial area. When a certified copy of such order is filed with the register of deeds and county assessor of the county or counties in which the real estate is located, such real estate shall no longer be an industrial area.

Source: Laws 1975, LB 151, § 2; R.S.1943, (1983), § 19-2510.

Local Sales and Use Tax Rates

Effective October 1, 2015

Total: 218 Municipalities, 1 County

Municipalities with sales tax rates above 1.5% are listed in red

Jurisdiction	Local Rate	Total Rate (State + Local)	Jurisdiction	Local Rate	Total Rate (State + Local)
Ainsworth	1.5%	7.0% (.07)	Doniphan	1.0%	6.5% (.065)
Albion	1.5%	7.0% (.07)	Douglas	1.5%	7.0% (.07)
Alliance	1.5%	7.0% (.07)	Duncan	1.5%	7.0% (.07)
Alma	2.0%	7.5% (.075)	Eagle	1.0%	6.5% (.065)
Arapahoe	1.0%	6.5% (.065)	Edgar	1.0%	6.5% (.065)
Arcadia	1.0%	6.5% (.065)	Elgin	1.0%	6.5% (.065)
Arlington	1.5%	7.0% (.07)	Elm Creek	1.0%	6.5% (.065)
Arnold	1.0%	6.5% (.065)	Elmwood	0.5%	6.0% (.06)
Ashland	1.5%	7.0% (.07)	Elwood	1.0%	6.5% (.065)
Atkinson	1.5%	7.0% (.07)	Eustis	1.0%	6.5% (.065)
Auburn	1.0%	6.5% (.065)	Exeter	1.5%	7.0% (.07)
Bancroft	1.5%	7.0% (.07)	Fairbury	2.0%	7.5% (.075)
Bassett	1.5%	7.0% (.07)	Fairfield	1.0%	6.5% (.065)
Battle Creek	1.5%	7.0% (.07)	Falls City	1.5%	7.0% (.07)
Bayard	1.0%	6.5% (.065)	Farnam	1.0%	6.5% (.065)
Beatrice	1.5%	7.0% (.07)	Franklin	1.0%	6.5% (.065)
Beaver City	1.0%	6.5% (.065)	Fremont	1.5%	7.0% (.07)
Beemer	1.5%	7.0% (.07)	Friend	1.0%	6.5% (.065)
Bellevue	1.5%	7.0% (.07)	Fullerton	1.5%	7.0% (.07)
Benedict	1.5%	7.0% (.07)	Geneva	1.5%	7.0% (.07)
Benkelman	1.5%	7.0% (.07)	Genoa	1.5%	7.0% (.07)
Bennet	1.0%	6.5% (.065)	Gering	1.5%	7.0% (.07)
Bennington	1.5%	7.0% (.07)	Gibbon	1.0%	6.5% (.065)
Bertrand	1.0%	6.5% (.065)	Gordon	1.0%	6.5% (.065)
Big Springs	1.0%	6.5% (.065)	Gothenburg	1.5%	7.0% (.07)
Blair	1.5%	7.0% (.07)	Grand Island	1.5%	7.0% (.07)
Bloomfield	1.0%	6.5% (.065)	Grant	1.0%	6.5% (.065)
Blue Hill	1.0%	6.5% (.065)	Greenwood	1.0%	6.5% (.065)
Brainard	1.0%	6.5% (.065)	Gresham	1.5%	7.0% (.07)
Bridgeport	1.0%	6.5% (.065)	Gretna	1.5%	7.0% (.07)
Broken Bow	1.5%	7.0% (.07)	Guide Rock	1.0%	6.5% (.065)
Brownville	1.0%	6.5% (.065)	Harrison	1.0%	6.5% (.065)
Burwell	1.5%	7.0% (.07)	Hartington	1.0%	6.5% (.065)
Cairo	1.0%	6.5% (.065)	Harvard	1.0%	6.5% (.065)
Callaway	1.0%	6.5% (.065)	Hastings	1.5%	7.0% (.07)
Cambridge	1.5%	7.0% (.07)	Hay Springs	1.0%	6.5% (.065)
Cedar Rapids	1.0%	6.5% (.065)	Hebron	1.0%	6.5% (.065)
Central City	1.0%	6.5% (.065)	Hemingford	1.5%	7.0% (.07)
Ceresco	1.5%	7.0% (.07)	Henderson	1.5%	7.0% (.07)
Chadron	2.0%	7.5% (.075)	Hickman	1.5%	7.0% (.07)
Chambers	1.0%	6.5% (.065)	Hildreth	1.0%	6.5% (.065)
Chappell	1.0%	6.5% (.065)	Holdrege	1.5%	7.0% (.07)
Chester	1.0%	6.5% (.065)	Hooper	1.0%	6.5% (.065)
Clarks	1.0%	6.5% (.065)	Howells	1.5%	7.0% (.07)
Clay Center	1.0%	6.5% (.065)	Hubbell	1.0%	6.5% (.065)
Clearwater	1.5%	7.0% (.07)	Humphrey	1.5%	7.0% (.07)
Columbus	1.5%	7.0% (.07)	Hyannis	1.0%	6.5% (.065)
Cordova	1.0%	6.5% (.065)	Imperial	1.0%	6.5% (.065)
Cortland	1.0%	6.5% (.065)	Jackson	1.5%	7.0% (.07)
Cozad	1.5%	7.0% (.07)	Jansen	1.0%	6.5% (.065)
Crawford	1.5%	7.0% (.07)	Juniata	1.0%	6.5% (.065)
Creighton	1.0%	6.5% (.065)	Kearney	1.5%	7.0% (.07)
Crete	1.5%	7.0% (.07)	Kimball	1.5%	7.0% (.07)
Crofton	1.0%	6.5% (.065)	LaVista	2.0%	7.5% (.075)
Curtis	1.0%	6.5% (.065)	Lewellen	1.0%	6.5% (.065)
Dakota County	0.5%	6.0% (.06)	Lexington	1.5%	7.0% (.07)
Dannebrog	1.0%	6.5% (.065)	Lincoln	1.75%	7.25%
David City	2.0%	7.5% (.075)	Linwood	1.0%	6.5% (.065)
Daykin	1.0%	6.5% (.065)	Loomis	1.0%	6.5% (.065)
Decatur	1.0%	6.5% (.065)	Louisville	1.5%	7.0% (.07)
DeWeese	1.0%	6.5% (.065)	Loup City	1.5%	7.0% (.07)
Diller	1.0%	6.5% (.065)	Lyons	1.5%	7.0% (.07)
Dodge	1.0%	6.5% (.065)	Madison	1.5%	7.0% (.07)

Jurisdiction	Local Rate	Total Rate (State + Local)	Jurisdiction	Local Rate	Total Rate (State + Local)
Malcolm	1.0%	6.5% (.065)	Republican City	1.0%	6.5% (.065)
Marquette	1.5%	7.0% (.07)	Rushville	1.5%	7.0% (.07)
Maywood	1.5%	7.0% (.07)	St. Edward	1.0%	6.5% (.065)
McCook	1.5%	7.0% (.07)	St. Paul	1.0%	6.5% (.065)
McCool	1.5%	7.0% (.07)	Sargent	1.5%	7.0% (.07)
Milford	1.0%	6.5% (.065)	Schuyler	1.5%	7.0% (.07)
Minden	2.0%	7.5% (.075)	Scottsbluff	1.5%	7.0% (.07)
Mitchell	1.5%	7.0% (.07)	Scribner	1.5%	7.0% (.07)
Monroe	1.5%	7.0% (.07)	Seward	1.5%	7.0% (.07)
Morrill	1.0%	6.5% (.065)	Shelton	1.0%	6.5% (.065)
Mullen	1.0%	6.5% (.065)	Sidney	2.0%	7.5% (.075)
Murray	1.0%	6.5% (.065)	Silver Creek	1.0%	6.5% (.065)
Nebraska City	2.0%	7.5% (.075)	South Sioux	1.5%	7.0% (.07)
Neligh	1.0%	6.5% (.065)	Spencer	1.0%	6.5% (.065)
Nelson	1.0%	6.5% (.065)	Springfield	1.5%	7.0% (.07)
Newman Grove	1.5%	7.0% (.07)	Springview	1.0%	6.5% (.065)
Niobrara	1.0%	6.5% (.065)	Stanton	1.5%	7.0% (.07)
Norfolk	2.0%	7.5% (.075)	Sterling	1.0%	6.5% (.065)
North Bend	1.5%	7.0% (.07)	Stromsburg	1.5%	7.0% (.07)
North Platte	1.5%	7.0% (.07)	Stuart	1.0%	6.5% (.065)
Oakland	1.0%	6.5% (.065)	Superior	1.0%	6.5% (.065)
Oconto	1.0%	6.5% (.065)	Sutton	1.5%	7.0% (.07)
Odell	1.0%	6.5% (.065)	Syracuse	1.0%	6.5% (.065)
Ogallala	1.5%	7.0% (.07)	Tecumseh	1.5%	7.0% (.07)
Omaha	1.5%	7.0% (.07)	Tekamah	1.5%	7.0% (.07)
O'Neill	1.5%	7.0% (.07)	Terrytown	1.0%	6.5% (.065)
Ord	1.5%	7.0% (.07)	Tilden	1.5%	7.0% (.07)
Osceola	1.5%	7.0% (.07)	Uehling	1.0%	6.5% (.065)
Oshkosh	1.5%	7.0% (.07)	Upland	0.5%	6.0% (.06)
Osmond	1.0%	6.5% (.065)	Utica	1.5%	7.0% (.07)
Oxford	1.5%	7.0% (.07)	Valentine	1.5%	7.0% (.07)
Palmyra	1.0%	6.5% (.065)	Valley	1.5%	7.0% (.07)
Papillion	1.5%	7.0% (.07)	Verdigre	1.5%	7.0% (.07)
Pawnee City	1.5%	7.0% (.07)	Wahoo	1.5%	7.0% (.07)
Paxton	1.0%	6.5% (.065)	Wakefield	1.0%	6.5% (.065)
Pender	1.0%	6.5% (.065)	Waterloo	2.0%	7.5% (.075)
Peru	1.0%	6.5% (.065)	Wausa	1.0%	6.5% (.065)
Petersburg	1.0%	6.5% (.065)	Waverly	1.0%	6.5% (.065)
Pierce	1.0%	6.5% (.065)	Wayne	1.5%	7.0% (.07)
Plainview	1.5%	7.0% (.07)	Weeping Water	1.0%	6.5% (.065)
Platte Center	1.5%	7.0% (.07)	West Point	1.5%	7.0% (.07)
Plattsmouth	1.5%	7.0% (.07)	Wilber	1.0%	6.5% (.065)
Plymouth	1.5%	7.0% (.07)	Wisner	1.5%	7.0% (.07)
Ponca	1.5%	7.0% (.07)	Wymore	1.5%	7.0% (.07)
Ralston	1.5%	7.0% (.07)	York	2.0%	7.5% (.075)
Randolph	1.0%	6.5% (.065)			
Ravenna	1.5%	7.0% (.07)			
Red Cloud	1.5%	7.0% (.07)			

Number of municipalities per rate:

2% - 11 municipalities

1.75% - 1 municipality

1.5% - 102 municipalities

1.0% - 102 municipalities

0.5% - 2 municipalities, 1 county

Source: Nebraska Department of Revenue