

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 813

Introduced by McGill, 26.

Read first time January 10, 2008

Committee: Urban Affairs

A BILL

- 1 FOR AN ACT relating to municipalities; to authorize urban growth
- 2 districts and provide bond authority.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) The Legislature recognizes that there is
2 a growing concern among municipalities that infrastructure costs
3 and needs are great, especially in areas that are on the edge
4 of or near the municipal boundaries and in need of development
5 resources, and the governing bodies of municipalities must identify
6 and develop financing mechanisms to respond to all infrastructure
7 needs in an effective and efficient manner. The authorization of
8 urban growth bonds, with local option sales and use tax revenue
9 identified as a primary source of financing for the bonds, will
10 encourage municipalities to use such revenue to bond infrastructure
11 needs.

12 (2) The governing body of a municipality may create one
13 or more urban growth districts for the purpose of using local
14 option sales and use tax revenue and other revenue to finance
15 municipal infrastructure needs. An urban growth district may be
16 in an area along the edge of a municipality's boundary or in any
17 other growth area designated by the governing body, except that the
18 territory of each urban growth district shall be (a) within the
19 municipality's corporate limits and (b) outside the municipality's
20 corporate limits as they existed on January 1, 1988.

21 (3) The governing body shall establish an urban growth
22 district by ordinance. The ordinance shall include:

23 (a) A description of the boundaries of the proposed
24 district; and

25 (b) The local option sales tax rate and estimated urban

1 growth local option sales and use tax revenue anticipated to be
2 identified as a result of the creation of the district.

3 (4) Any municipality that has established an urban growth
4 district may, by ordinance, issue urban growth bonds and refunding
5 bonds to finance and refinance the construction or improvement of
6 (a) roads, streets, streetscapes, bridges, and related structures,
7 (b) parks, and (c) other public infrastructure within the urban
8 growth district and in any other area of the municipality. The
9 bonds shall be secured as to payment in whole or in part by a
10 pledge, as determined by the municipality, of the urban growth
11 local option sales and use tax revenue. For purposes of this
12 section, urban growth local option sales and use tax revenue means
13 the municipality's total local option sales and use tax revenue
14 multiplied by the ratio of the area included in the urban growth
15 district to the total area of the municipality.

16 (5) The issuance of urban growth bonds by any
17 municipality under the authority of this section shall not be
18 subject to any charter or statutory limitations of indebtedness or
19 be subject to any restrictions imposed upon or conditions precedent
20 to the exercise of the powers of municipalities to issue bonds or
21 evidences of indebtedness which may be contained in such charters
22 or other statutes. Any municipality which issues urban growth bonds
23 under the authority of this section shall levy property taxes
24 upon all the taxable property in the municipality at such rate or
25 rates within any applicable charter, statutory, or constitutional

1 limitations as will provide funds which, together with the urban
2 growth local option sales and use tax revenue pledged to the
3 payment of such bonds and any other money made available and used
4 for that purpose, will be sufficient to pay the principal of and
5 interest on such urban growth bonds as they severally mature.