

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB339

Hearing Date: Tuesday January 27, 2009
Committee On: Urban Affairs
Introducer: Friend
One Liner: Change community development authority provisions relating to cities and villages

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Coash, Cook, Friend, Lathrop, Rogert, White
Nay:
Absent: 1 Senator McGill
Present Not Voting:

Proponents: Senator Friend Chris Anderson Gary Krumland	Representing: Introducer City of Central City League of NE Municipalities
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Opponents:	Representing:
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Neutral:	Representing:
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Summary of purpose and/or changes:

This bill deals with community development authorities under the Community Development Law, proposing to authorize the appointment of alternate members. It is applicable to community development authorities in cities of all classes and villages.

This legislation proposes to amend Section 18-2102.01 (a portion of the Community Development Law which governs the exercise of tax increment financing authority) to allow for the appointment of an alternate member to a community redevelopment authority (CRA) or limited community redevelopment authority. The alternate would act as a member of the CRA with full power and authority when acting in the absence of a regularly appointed CRA member. Community redevelopment authorities are the entities authorized by the Community Development Law and created by cities and villages to perform various activities aimed at the redevelopment of blighted and substandard property, including functions related to tax increment financing.

There are two types of community redevelopment authorities: the "general" variety and the limited variety. They exercise the same authority but the limited community redevelopment authority is appointed by the city for the purpose of the redevelopment of a single project and it ceases to exist upon the completion of the project. The "general" authority continues to function throughout the city or village with members appointed for a specified term and the appointment of successors provided for by law. The statutory authority and power of a CRA is defined in Sec. 18-2107. As provided in the Community Development Law, a CRA is composed of five members. Current law (section 18-2102.01(3), found at page 6, in line 6 of the bill) requires the presence of four members to constitute a quorum for meetings and the approval of three members is required before formal action can be taken or approved. If more than one member is absent, the CRA cannot act because of lack of a quorum, even if all the present members approve.

LB 339 addresses this issue by allowing the city or village to appoint an alternate member to the CRA. The alternate member may attend any meeting and may serve as a voting and participating member of the authority at any time when less than the full number of authority members is present and capable of voting. This would allow a quorum to be reached and business to be conducted if any single member was absent from the meeting, although the requirement for three positive votes to take action would remain in effect.

The appointment of alternates to serve on municipal commissions and boards is not a new or unusual concept. Such appointments have been authorized for the board of appeals in metropolitan class cities (Sec. 14-408), for boards of adjustment in first and second class cities and villages (Sec. 19-908), for boards of adjustment in counties (Sec. 23-168.01), and for planning commissions in first and second class cities and villages (Sec. 19-926). Copies of these statutes with relevant passages underlined are copied below.

Explanation of amendments:

The original intent of the bill was to authorize the appointment of alternate CRA members to deal with the lack of sufficient members at an official meeting to meet quorum requirements or to take formal action.

The committee amendments seek to address the same problem but by a different method.

Current law specifies that the CRA must have five members. The committee amendment would allow for the appointment of seven full members (retaining the alternate requirement of at least five members.)

The amendment provides for the staggering of terms for a seven member CRA, with initial appointments of one member each for one, two, or five years, and two members each for three and four years. Appointments would be made in the same manner as for a five member CRA.

Further, the amendment removes the current quorum requirement of four members and removes the provision which permits action by a majority of the members present at a meeting.

The amendments replace these provisions with the requirement that official action can only be taken by the concurrence of three members of a five member authority or four members of a seven member authority (i.e. a majority of the appointed members) present and voting at a meeting of the authority.

Mike Friend, Chairperson