

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1132

Introduced by McGill, 26; Schilz, 47.

Read first time January 19, 2012

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to the Community Development Law; to amend
2 section 18-2123, Reissue Revised Statutes of Nebraska,
3 and section 18-2147, Revised Statutes Supplement, 2011;
4 to provide an effective date for the division of ad
5 valorem taxes for real property located outside the
6 corporate boundaries of a city; to harmonize provisions;
7 and to repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2123, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 18-2123 Upon a determination, by resolution, of the
4 governing body of the city in which such land is located, that the
5 acquisition and development of undeveloped vacant land, not within a
6 substandard or blighted area, is essential to the proper clearance or
7 redevelopment of substandard or blighted areas or a necessary part of
8 the general community redevelopment program of the city, or that the
9 acquisition and development of land outside the city, but within a
10 radius of three miles thereof, is necessary or convenient to the
11 proper clearance or redevelopment of one or more substandard or
12 blighted areas within the city or is a necessary adjunct to the
13 general community redevelopment program of the city, the acquisition,
14 planning, ~~and preparation, for development,~~ or disposal of such land
15 shall constitute a redevelopment project which may be undertaken by
16 the authority in the manner provided in the foregoing sections.

17 Sec. 2. Section 18-2147, Revised Statutes Supplement,
18 2011, is amended to read:

19 18-2147 (1) Any redevelopment plan as originally approved
20 or as later modified pursuant to section 18-2117 may contain a
21 provision that any ad valorem tax levied upon real property, or any
22 portion thereof, in a redevelopment project for the benefit of any
23 public body shall be divided, for a period not to exceed fifteen
24 years after the effective date as identified in the project
25 redevelopment contract or in the resolution of the authority

1 authorizing the issuance of bonds pursuant to section 18-2124, as
2 follows:

3 (a) That portion of the ad valorem tax which is produced
4 by the levy at the rate fixed each year by or for each such public
5 body upon the redevelopment project valuation shall be paid into the
6 funds of each such public body in the same proportion as are all
7 other taxes collected by or for the body. When there is not a
8 redevelopment project valuation on a parcel or parcels, the county
9 assessor shall determine the redevelopment project valuation based
10 upon the fair market valuation of the parcel or parcels as of January
11 1 of the year prior to the year that the ad valorem taxes are to be
12 divided. The county assessor shall provide written notice of the
13 redevelopment project valuation to the authority as defined in
14 section 18-2103 and the owner. The authority or owner may protest the
15 valuation to the county board of equalization within thirty days
16 after the date of the valuation notice. All provisions of section
17 77-1502 except dates for filing of a protest, the period for hearing
18 protests, and the date for mailing notice of the county board of
19 equalization's decision are applicable to any protest filed pursuant
20 to this section. The county board of equalization shall decide any
21 protest filed pursuant to this section within thirty days after the
22 filing of the protest. The county clerk shall mail a copy of the
23 decision made by the county board of equalization on protests
24 pursuant to this section to the authority or owner within seven days
25 after the board's decision. Any decision of the county board of

1 equalization may be appealed to the Tax Equalization and Review
2 Commission, in accordance with section 77-5013, within thirty days
3 after the date of the decision;

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

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

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

1 is within the corporate boundaries of the city or (b) approval of the
2 redevelopment project has been granted by the county board of the
3 county in which the real property is located if such property is
4 within a radius of three miles of the boundaries of the city as
5 described in section 18-2123.

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

22 Sec. 3. Original section 18-2123, Reissue Revised
23 Statutes of Nebraska, and section 18-2147, Revised Statutes
24 Supplement, 2011, are repealed.