

AMENDMENTS TO LB 66

Introduced by Urban Affairs

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 18-2101, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 18-2101 Sections 18-2101 to 18-2144 and section 3 of this
6 act shall be known and may be cited as the Community Development
7 Law.

8 Sec. 2. Section 18-2103, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 18-2103 For purposes of the Community Development Law,
11 unless the context otherwise requires:

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

17 (2) Limited community redevelopment authority means a
18 community redevelopment authority created pursuant to section
19 18-2102.01 having only one single specific limited pilot project
20 authorized;

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

23 (4) Public body means the state or any municipality,

1 county, township, board, commission, authority, district, or other
2 political subdivision or public body of the state;

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

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

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

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

12 (9) Area of operation means and includes the area within
13 the corporate limits of the city and such land outside the city as
14 may come within the purview of section 18-2123 and section 3 of
15 this act;

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

1 (11) Blighted area means an area, which (a) by reason
2 of the presence of a substantial number of deteriorated or
3 deteriorating structures, existence of defective or inadequate
4 street layout, faulty lot layout in relation to size, adequacy,
5 accessibility, or usefulness, insanitary or unsafe conditions,
6 deterioration of site or other improvements, diversity of
7 ownership, tax or special assessment delinquency exceeding the
8 fair value of the land, defective or unusual conditions of title,
9 improper subdivision or obsolete platting, or the existence of
10 conditions which endanger life or property by fire and other
11 causes, or any combination of such factors, substantially impairs
12 or arrests the sound growth of the community, retards the provision
13 of housing accommodations, or constitutes an economic or social
14 liability and is detrimental to the public health, safety, morals,
15 or welfare in its present condition and use and (b) in which there
16 is at least one of the following conditions: (i) Unemployment in
17 the designated area is at least one hundred twenty percent of the
18 state or national average; (ii) the average age of the residential
19 or commercial units in the area is at least forty years; (iii)
20 more than half of the plotted and subdivided property in an area
21 is unimproved land that has been within the city for forty years
22 and has remained unimproved during that time; (iv) the per capita
23 income of the area is lower than the average per capita income
24 of the city or village in which the area is designated; or (v)
25 the area has had either stable or decreasing population based
26 on the last two decennial censuses. In no event shall a city
27 of the metropolitan, primary, or first class designate more than

1 thirty-five percent of the city as blighted, a city of the second
2 class shall not designate an area larger than fifty percent of the
3 city as blighted, and a village shall not designate an area larger
4 than one hundred percent of the village as blighted;

5 (12) Redevelopment project means any work or undertaking
6 in one or more community redevelopment areas: (a) To acquire
7 substandard and blighted areas or portions thereof, including
8 lands, structures, or improvements the acquisition of which is
9 necessary or incidental to the proper clearance, development, or
10 redevelopment of such substandard and blighted areas; (b) to clear
11 any such areas by demolition or removal of existing buildings,
12 structures, streets, utilities, or other improvements thereon and
13 to install, construct, or reconstruct streets, utilities, parks,
14 playgrounds, public spaces, public parking facilities, sidewalks or
15 moving sidewalks, convention and civic centers, bus stop shelters,
16 lighting, benches or other similar furniture, trash receptacles,
17 shelters, skywalks and pedestrian and vehicular overpasses and
18 underpasses, and any other necessary public improvements essential
19 to the preparation of sites for uses in accordance with a
20 redevelopment plan; (c) to sell, lease, or otherwise make available
21 land in such areas for residential, recreational, commercial,
22 industrial, or other uses, including parking or other facilities
23 functionally related or subordinate to such uses, or for public
24 use or to retain such land for public use, in accordance with a
25 redevelopment plan; and may also include the preparation of the
26 redevelopment plan, the planning, survey, and other work incident
27 to a redevelopment project and the preparation of all plans and

1 arrangements for carrying out a redevelopment project; (d) to
2 dispose of all real and personal property or any interest in
3 such property, or assets, cash, or other funds held or used in
4 connection with residential, recreational, commercial, industrial,
5 or other uses, including parking or other facilities functionally
6 related or subordinate to such uses, or any public use specified in
7 a redevelopment plan or project, except that such disposition shall
8 be at its fair value for uses in accordance with the redevelopment
9 plan; (e) to acquire real property in a community redevelopment
10 area which, under the redevelopment plan, is to be repaired or
11 rehabilitated for dwelling use or related facilities, repair or
12 rehabilitate the structures, and resell the property; and (f) to
13 carry out plans for a program of voluntary or compulsory repair,
14 rehabilitation, or demolition of buildings or other improvements in
15 accordance with the redevelopment plan;

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

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

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

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

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

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

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

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

27 (21) Redevelopment project valuation means the valuation

1 for assessment of the taxable real property in a redevelopment
2 project last certified for the year prior to the effective date of
3 the provision authorized in section 18-2147;

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

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

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

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

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

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

24 (28) Number of new employees means the number of
25 equivalent employees that are employed at a business as a result of
26 the redevelopment project during a year that are in excess of the
27 number of equivalent employees during the year immediately prior to

1 the year that a redevelopment plan is adopted; and

2 (29) Occupation tax means a tax imposed under section
3 18-2142.02.

4 Sec. 3. (1) Notwithstanding any other provisions of the
5 Community Development Law to the contrary, a city may undertake a
6 redevelopment project that includes real property located outside
7 the corporate limits of such city if the following requirements
8 have been met:

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

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

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

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

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

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

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

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

6 (b) Any change in the service area of any communications
7 company as defined in section 77-2734.04 unless (i) such change has
8 been agreed to by the communications company serving the formerly
9 used defense site at the time of approval of such redevelopment
10 project or (ii) such change occurs pursuant to sections 86-135 to
11 86-138.

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

18 Sec. 4. Section 18-2147, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 18-2147 (1) Any redevelopment plan as originally approved
21 or as later modified pursuant to section 18-2117 may contain a
22 provision that any ad valorem tax levied upon real property, or
23 any portion thereof, in a redevelopment project for the benefit
24 of any public body shall be divided, for a period not to exceed
25 fifteen years after the effective date as identified in the project
26 redevelopment contract or in the resolution of the authority
27 authorizing the issuance of bonds pursuant to section 18-2124, as

1 follows:

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

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

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

20 (2) The effective date of a provision dividing ad valorem
21 taxes as provided in subsection (1) of this section shall not occur
22 until such time as the real property in the redevelopment project
23 is within the corporate boundaries of the city. This subsection
24 shall not apply to a redevelopment project involving a formerly
25 used defense site as authorized in section 3 of this act.

26 (3) Beginning August 1, 2006, all notices of the
27 provision for dividing ad valorem taxes shall be sent by the

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

16 Sec. 5. The Revisor of Statutes shall assign section 3 of
17 this act within sections 18-2101 to 18-2144.

18 Sec. 6. Original sections 18-2101, 18-2103, and 18-2147,
19 Reissue Revised Statutes of Nebraska, are repealed.