

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 597**

Introduced by Groene, 42.

Read first time January 18, 2017

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to tax-increment financing; to amend section  
2 18-2147, Revised Statutes Cumulative Supplement, 2016; to require an  
3 application to the county assessor and Department of Revenue for use  
4 of tax-increment financing; to provide for procedures for such  
5 applications; to provide for rules and regulations; to harmonize  
6 provisions; and to repeal the original section.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2147, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 18-2147 (1) Subject to the requirements of subsection (4) of this  
4 section, any Any redevelopment plan as originally approved or as later  
5 modified pursuant to section 18-2117 may contain a provision that any ad  
6 valorem tax levied upon real property, or any portion thereof, in a  
7 redevelopment project for the benefit of any public body shall be  
8 divided, for a period not to exceed fifteen years after the effective  
9 date as identified in the project redevelopment contract or in the  
10 resolution of the authority authorizing the issuance of bonds pursuant to  
11 section 18-2124, as follows:

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

1 owner within seven days after the board's decision. Any decision of the  
2 county board of equalization may be appealed to the Tax Equalization and  
3 Review Commission, in accordance with section 77-5013, within thirty days  
4 after the date of the decision;

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

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

21 (2) The effective date of a provision dividing ad valorem taxes as  
22 provided in subsection (1) of this section shall not occur until such  
23 time as the real property in the redevelopment project is within the  
24 corporate boundaries of the city. This subsection shall not apply to a  
25 redevelopment project involving a formerly used defense site as  
26 authorized in section 18-2123.01.

27 (3) Beginning August 1, 2006, all notices of the provision for  
28 dividing ad valorem taxes shall be sent by the authority to the county  
29 assessor on forms prescribed by the Property Tax Administrator. The  
30 notice shall be sent to the county assessor on or before August 1 of the  
31 year of the effective date of the provision. Failure to satisfy the

1 notice requirement of this section shall result in the taxes, for all  
2 taxable years affected by the failure to give notice of the effective  
3 date of the provision, remaining undivided and being paid into the funds  
4 for each public body receiving property taxes generated by the property  
5 in the redevelopment project. However, the redevelopment project  
6 valuation for the remaining division of ad valorem taxes in accordance  
7 with subdivisions (1)(a) and (b) of this section shall be the last  
8 certified valuation for the taxable year prior to the effective date of  
9 the provision to divide the taxes for the remaining portion of the  
10 fifteen-year period pursuant to subsection (1) of this section.

11 (4)(a) A governing body that seeks to use tax-increment financing  
12 pursuant to this subsection shall submit an application to the county  
13 assessor on a form and in a manner prescribed by the Tax Commissioner.  
14 The application shall include such information as may reasonably be  
15 required to determine the eligibility of the governing body, the  
16 redevelopment plan, and the parcel or parcels for such tax-increment  
17 financing. The application shall be accompanied by a fee in an amount  
18 prescribed by the Tax Commissioner.

19 (b) The county assessor shall forward the application and fee to the  
20 Tax Commissioner if the county assessor determines that the application  
21 has been signed by a person authorized to do so, that such authority is a  
22 matter of public record, and that the application is pursuant to a  
23 redevelopment plan approved in accordance with the Community Development  
24 Law.

25 (c) The Tax Commissioner shall review the application to ensure that  
26 the governing body, its redevelopment plan, and the parcel or parcels are  
27 eligible for and have satisfied all provisions of the Constitution of  
28 Nebraska, the Community Development Law, and sections 18-2147 to 18-2153.  
29 The Tax Commissioner shall grant or deny the application within forty-  
30 five days after his or her receipt of a completed application from the  
31 county assessor.

1       (d)(i) If the Tax Commissioner approves an application, he or she  
2 shall return the application to the county assessor with approval for  
3 implementation as provided in the Community Development Law and sections  
4 18-2147 to 18-2153.

5       (ii) If the Tax Commissioner denies an application, he or she shall  
6 send the county assessor a written report detailing the reasons for the  
7 denial, including an explanation of any statutory or constitutional  
8 provision that provided a basis for denial.

9       (iii) The governing body or county assessor may petition the Tax  
10 Commissioner to review the denial. The petition may include revisions to  
11 address the concerns of the Tax Commissioner. Any petition for review  
12 shall be filed with the Tax Commissioner within thirty days after receipt  
13 of the denial.

14       (e) A decision of the Tax Commissioner under this subsection may be  
15 appealed within thirty days after the date of the order to the Tax  
16 Equalization and Review Commission in accordance with section 77-5013.

17       (5) The Department of Revenue may adopt and promulgate rules and  
18 regulations to be used by county assessors in determining eligibility and  
19 auditing under sections 18-2147 to 18-2153.

20       (6) For purposes of this section:

21       (a) Governing body has the same meaning as in section 18-2103; and

22       (b) Redevelopment plan has the same meaning as in section 18-2103.

23       Sec. 2. Original section 18-2147, Revised Statutes Cumulative  
24 Supplement, 2016, is repealed.