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Urban Affairs Committee  
January 17, 2017

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[LB74 LB113 LB131 LB132 LB133]

The Committee on Urban Affairs met at 1:30 p.m. on Tuesday, January 17, 2017, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB74, LB113, LB131, LB132, and LB133. Senators present: Matt Hansen, Vice Chairperson; Sue Crawford; Tyson Larson; Dan Quick; and Merv Riepe. Senators absent: Justin Wayne, Chairperson; and Sara Howard.

SENATOR HANSEN: Well, good afternoon, everyone. Welcome to the Urban Affairs Committee. It's right after 1:30, so it looks like we'll get started. My name is State Senator Matt Hansen and I am the Vice Chair of this committee and I will be Chairing today since our Chair, Senator Justin Wayne, is out sick. We'll start off by having members of the committee and committee staff do self-introductions, starting on my right.

SENATOR RIEPE: I'm Merv Riepe, I represent Legislative District 12; which is Millard, Omaha, and Ralston. I apologize, but I have to open on a bill in a minute, so I will be briefly leaving.

SENATOR HANSEN: Thank you. As I said, my name is State Senator Matt Hansen. I represent District 26 in northeast Lincoln.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

SENATOR LARSON: Senator Larson, District 40.

SENATOR QUICK: Senator Dan Quick, representing District 35: Grand Island.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford, representing eastern Bellevue, eastern Sarpy County, and Offutt.

ANDREW NORTHWALL: Andrew Northwall, committee clerk.

SENATOR HANSEN: Thank you all. And I'll note for the record that Senator Howard would have loved to have been here, but is stuck out of town due to weather. Also assisting this committee is our committee page, Brienne Hellstrom, from Simi Valley, California, who is a political science major at the University of Nebraska-Lincoln. This afternoon we'll be hearing five bills and we'll be taking them up in the order listed outside the room. On each of the tables

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in the back of the room you'll find blue testifier sheets. If you are planning to testify today, please fill out one and hand it to Andrew as you come up. This will help us keep an accurate record of the hearing. Please note that if you do wish to have your position listed in the committee statement for a particular bill you must testify that position during the bill's hearing. If you do not wish to testify, but would like to record your position on the bill, please fill out the pink sheets in the back of the room. We would ask if you have any handouts that you please bring 10 copies and give them to the page. If you need any additional copies, the page can help you make more. Testimony for each bill will begin with the introducer's opening statement, after the opening statement we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. We ask that you begin your testimony by first giving us your first and last name and spelling them for the record. Today we will be using the four-minute light system. When you begin your testimony the lights on the table will turn green, the yellow light will serve as a one-minute warning, and when the red light comes on we'll ask you to wrap up and close your final thoughts. I would like to remind everyone, including senators, to turn off your cellphones or put them on vibrate. With that, we'll actually begin today's hearing with LB113, which is my bill. So I will turn over the panel to Senator Larson.

SENATOR LARSON: Thank you, Senator Hansen. Welcome to the Urban Affairs Committee.

SENATOR HANSEN: Thank you. Good afternoon, Senator Larson and fellow members of the Urban Affairs Committee. My name is State Senator Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent Legislative District 26 in northeast Lincoln. I'm here today to introduce LB113, a bill that deals with municipal classifications: specifically the current classification structure for municipalities; the current population threshold for the different classes of municipalities and when those thresholds are met, either through the decennial census process or through annexation; and lastly, other population thresholds that are also applied through Chapters 14 through 19 of statute. This bill came from our interim hearing that this committee held on LR526 to study these issues last fall. My office has been working with committee legal counsel throughout the interim to help identify potential issues within statute that may need updating. A quick glance at the committee memo shows that these issues may not be obvious, as Nebraska already has clear population thresholds for its various municipal classification from the metropolitan class cities all the way down to villages. However, LR526 pointed out several issues that needed to be updated. Since having the interim hearing, we've been working to find the best way to update the statutes in a clear and concise way. One update would be to the process of who's received certification from a city when that city crosses the threshold to move to a new classification. For example, currently when a village reaches the population threshold to become a second-class city and when a second-class city reaches the population threshold to become a first-class city the city must certify to the Secretary of State, while other classes of

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cities when moving to categories must certify to the Governor. LB113 would make it so that all certifications are sent to the Secretary of State. Additionally, LB113 would add clarifying language to when the population thresholds are met. Currently, many sections are silent as to when this would apply, for example, the year the population actually crosses the threshold or when it's certified by the most recent federal census. LB113 adds clarifying language that these thresholds apply at a federal census, as is often presumed, and has been recently enacted for counties. Specifically, LB113 adds language, as determined by the most recent federal decennial census, or the most recent revised certify count of the United States Bureau of the Census. Additionally, we took this opportunity to remove and update obsolete language, such as references to a state census, which based on our research the state last conducted in 1885. One last update that I would draw your attention to is Section V of LB113, which provides for a city of the primary class to move to a city of the metropolitan class once the primary class reaches a population of more than 300,000 inhabitants, which is determined by the most recent federal census. I would also like to let the committee know the city of Lincoln has been working with my office on a possible amendment that would address a city of the primary class moving to a city of the metropolitan class, as they testified of at the interim hearing. It is my understanding that someone from the city will be testifying to explain their position. Also today, Lincoln Public Schools has brought to my attention that they have concerns about language in city classifications because their classification as a Class IV school is tied to the city in which they serve's classification. I've been working with LPS this morning and will continue to work with LPS further to address those concerns. With that, I would like to thank the committee for their time and attention to this matter and for the work that the committee counsel and my staff have done on LR526 and LB113. I'd be glad to take any questions from the committee and I believe, as I said before, there will be testifiers coming up behind me to share their thoughts. [LB113]

SENATOR LARSON: Thank you, Senator Hansen. Any questions from the committee? Seeing none, I'm assuming you'll stay to close? Thank you. We will start with proponents. Please come up, state and spell your name, and observe the light system. Welcome to the Urban Affairs Committee. [LB113]

DAVID CARY: (Exhibit 1) Thank you very much. Good afternoon, my name is David Cary, it's D-a-v-i-d C-a-r-y. I am the director of the Lincoln-Lancaster County Planning Department. I am here this afternoon on behalf of the city of Lincoln to provide testimony on LB113. I want to thank Senator Hansen for identifying this topic for study and discussion, as well as the members of the Urban Affairs Committee for your time today. The city of Lincoln has been and will continue to review and discuss the implications of Lincoln reaching the 300,000 population threshold within the next five years. My testimony today is focused on when the city of Lincoln is expected to reach the 300,000 population threshold it would necessitate a move from a primary class city to a metropolitan class city under current state law. It is anticipated that the city of Lincoln will reach this threshold within a window of mid-2020 to late-2021. This timing

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indicates the city of Lincoln will not be at this population threshold at the time of the April 1, 2020 United States census. It would take much larger than typical annual growth rates for the city to reach that threshold before mid-2020 and we do not anticipate such a significant change in our growth rate occurring over the next three years. With this in mind, we understand that in connection with discussion of LB113, the committee is considering language that would clarify when and how, excuse me, a municipality moves from one classification to another. More specifically, it has been suggested that the decennial census should be used as the source of confirmation of population counts in determining when a municipality reaches a threshold for a different classification. The city of Lincoln agrees that the Legislature should clarify this process and provide uniformity among various classes of municipalities, and the decennial census seems to be an appropriate mechanism to do that. In the spirit of local control and proactive governing, we would also suggest that this legislation include the option for municipalities to apply for a different classification prior to the decennial census confirmation. As I indicated earlier, here in Lincoln we expect to reach 300,000 population threshold by the end of 2021. If the city was not allowed to formally move into the metropolitan class of city until after the 2030 decennial census, Lincoln and the state of Nebraska will have lost nearly a full decade of the potential benefits the metropolitan classification offers its citizens. To put this in perspective, by April 1, 2030, Lincoln will conservatively be at a population of approximately 335,000, well beyond the 300,000 threshold. For this reason, the city of Lincoln encourages the committee to consider allowing local municipalities the option to use either the decennial census or more current census data in determining population for purposes of statutory municipal classification. This information, such as the American Community Survey, conducted by the United State Census on an annual basis. That information is gathered on July 1 of each year by the Census Bureau and the date is made available the following May. Lincoln will continue to use the American Community Survey annual population estimate for this purpose and we suggest that the American Community Survey, with additional supporting evidence to verify those population estimates, be used in addition to the decennial census. They are reasonable and accurate means to determine whether a municipality has reached a statutory population threshold. [LB113]

SENATOR LARSON: Sir, just out of fairness, I know we don't have a lot of people here, but at the same time we have the four minutes. So I'm going to cut you off. [LB113]

DAVID CARY: Sure. [LB113]

SENATOR LARSON: Do I have questions from the committee? Senator Crawford. [LB113]

SENATOR CRAWFORD: Thank you, Senator Larson, and thank you for your testimony. I want to clarify the bill allows, determined by the most recent federal decennial census or the most

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recent revised certified count. Is the American Community Survey population estimate that you're proposing, it does not qualify as a revised certified count? Is that the concern? [LB113]

DAVID CARY: Correct. That is my understanding. The option that is in the current language would be if there was a significant annexation and there was an effort specifically to have a count done to include that physical geography that has been annexed. The American Community Survey is an annual count that the census does that would be, in our position and view, would be a reasonable way of looking at those population numbers as well. [LB113]

SENATOR CRAWFORD: Thank you. [LB113]

SENATOR LARSON: Real quick, just kind of because we have your testimony in front of us. [LB113]

DAVID CARY: Sure. [LB113]

SENATOR LARSON: That will go into the record. And I'm sorry to cut you off, but I'll just ask a quick question on that. So in there it says, "Codifying both the population and measurement sources would provide uniformity, while at the same time allowing communities...flexibility...for a change of classification." And just in two or three sentences, what do you mean by that? [LB113]

DAVID CARY: I think the main point there is that in our situation, it could be for other cities in different classes, that we feel like it would be, the flexibility, would be gained if a different source but a quality source of the population estimate could be used in an interim period between the two decennial census dates. I think that's the real main point there and this gives flexibility to the cities if that's allowed. [LB113]

SENATOR LARSON: Thank you. Senator Crawford. [LB113]

SENATOR CRAWFORD: Thank you, Senator Larson. Also for the record, could you talk about some examples of additional information to verify such population estimate? What should we consider or what would you like to establish as possible examples of that kind of additional information to verify that population estimate? [LB113]

DAVID CARY: Certainly. Thank you for the opportunity to point that out. In our case, I think an obvious source of information would be building permits issued over X amount of years that would lead us from the decennial census to the point in time we're talking about. That is a pretty

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good proxy of how many people have been brought into the city and what that population could be at that point in time. [LB113]

SENATOR CRAWFORD: Thank you. [LB113]

SENATOR LARSON: Okay. Seeing no other questions, thank you. [LB113]

DAVID CARY: Thank you very much. [LB113]

SENATOR LARSON: The next...how many proponents do I have? Just one left, okay. Thank you. Welcome to the Urban Affairs Committee, Ms. Rex. [LB113]

LYNN REX: Thank you very much. Good afternoon. My name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. And we too would like to thank Senator Hansen and the committee for their work on this important bill. We do understand the concerns of Lincoln and appreciate the fact that we would like to have that flexibility for all cities too, to be able to use, whether it's the American Community Survey or some reliable other source than just the decennial census, so they don't lose years of opportunity to advance from one class to another. With that, we'd just like to share with you that obviously this has been an ongoing issue, especially as municipalities in the state have lost population and have gone down, and their provisions relating to how they can maintain their status going up or going down. So in any event, we really appreciate the hard work of the committee in making uniformity in making sure that there's maximum flexibility for municipalities. I'd be happy to respond to any questions that you might have. [LB113]

SENATOR LARSON: Can you please spell your name for the record? [LB113]

LYNN REX: I'm sorry. L-y-n-n R-e-x. [LB113]

SENATOR LARSON: Thanks. [LB113]

LYNN REX: You're welcome. [LB113]

SENATOR LARSON: Any questions from the committee? Senator Crawford. [LB113]

SENATOR CRAWFORD: Thank you, Senator Larson. And thank you, Ms. Rex. So have there been conversations with other municipalities about using this flexibility? [LB113]

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LYNN REX: Yes, because we do...in answer to your question, yes. There have been discussions in terms of the city manager administrators across the state discussing what would happen in the event that for example, Grand Island and other cities are moving and advancing. It's going to be, I mean, a lot of them have a long way to go before they can advance. Most of the discussions sadly are when they're going down and dropping in population. And, as you know, we've got 530 cities and villages in the state of Nebraska, five classes of municipalities, and five forms of government. So this is really a vitally important bill and we really appreciate all the hard work and effort of Senator Hansen, committee counsel, and this committee itself. [LB113]

SENATOR CRAWFORD: Thank you. [LB113]

SENATOR LARSON: Any further questions? Seeing none, thank you very much. [LB113]

LYNN REX: Thank you very much. [LB113]

SENATOR LARSON: Any more proponents? How many opponents? Seeing no opponents, how many in neutral? Seeing no neutral testimony, Senator Hansen, would you like to close? [LB113]

SENATOR HANSEN: Yes. I will just close again by thanking my staff and committee staff for all of their work on this issue, and just by yielding to any questions and say I'm excited to work with all of you on Exec Session on this bill. [LB113]

SENATOR LARSON: Senator Crawford. [LB113]

SENATOR CRAWFORD: Thank you, Senator Larson. Thank you, Senator Hansen, for this bill and all your work over the interim. Just to clarify, in this case all of the information would be submitted to the Secretary of State. So the Secretary of State would be the office receiving the information, so they would really be the ones determining if the additional information provided along with the American Community Survey's is an appropriate justification for reaching that threshold? Is that correct? [LB113]

SENATOR HANSEN: That's my understanding, but we certainly could clarify that if we need. [LB113]

SENATOR CRAWFORD: Great, thank you. [LB113]

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SENATOR LARSON: Thank you, Senator Crawford. Any further questions? Thank you for visiting us today, Senator Hansen. [LB113]

SENATOR HANSEN: Thank you. All right. Oh, and so that will officially close the hearing of LB113. Next up we'll have the hearing on LB74, introduced by Senator Crawford. When you're ready. [LB113]

SENATOR CRAWFORD: All right. Good afternoon, Chairman Hansen and members of the Urban Affairs Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. I'm pleased to present to you today for your consideration LB74. In your packet you have a legislative history and other details provided for you from our legal counsel for the committee. For the record I'm going to repeat some of that information as well in the hearing testimony. LB495 and LB875, which were passed by the Legislature in 2009 and 2006 respectively, created different annexation and planned unit development procedures for cities of the first class, cities of the second class, and villages that are located in whole or in part within the boundaries of a county, having a population between 100,000 and 200,000. LB877, also passed in 2016, established distinct review procedures for proposed subdivision plats in cities of the first class, cities of the second class, and villages that are located in whole or in part within the boundaries of a county having a population between 1,000 (sic) and 250,000. LB74 would align the county population thresholds for annexation, review of proposed subdivision plats, and the approval of planned unit developments at a range between 100,000 and 250,000. Sarpy County is currently the only county that falls into that population range. LB74 would also clarify that the county population thresholds which impact municipalities are legally met based on official census data. This includes either the most federal decennial census or the most recently revised certified count by the United States Bureau of the Census. So this will address sections of the current statute that are unclear as to the point at which a county population threshold is legally met. So the bill establishes the set standard throughout all of the statutes in our municipal statutes dealing with annexation, planned unit development, percentages for the first class and cities of the second class and villages, to make all of those thresholds 100,000 to 250,000 where it currently is addressed as either 100,000 to 200,000 or 100,000 to 250,000. So basically there are several parts of statute that are addressing those issues for a county of this size, and this clarifies those statutes by establishing the set standard with the threshold going to 250,000 and establishing how that's met. Thank you. [LB74]

SENATOR HANSEN: Great, thank you. Are there questions for Senator Crawford? All right, seeing none, thank you, Senator Crawford. We will now move to proponent testimony, so anybody who's interested in testifying in favor of the bill please come forward. [LB74]

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CHRISTY ABRAHAM: Good afternoon, members of the Urban Affairs Committee, my name is Christy Abraham. Christy is C-h-r-i-s-t-y, Abraham, A-b-r-a-h-a-m, and I'm here representing the League of Nebraska Municipalities. Thanks to Senator Crawford for introducing this bill. She really covered everything I was going to say. I did want to mention that this was a bill that the League board looked at and unanimously approved to support. The League is always happy to have bills that clarify and make consistent all of our municipal statutes. And we certainly appreciate that there seem to be a little inconsistency in statute regarding what I am going to call the Sarpy County cities. And this bill just ensures that all of those statutes are clear and uniform, and we certainly appreciate your time on this. And I'm happy to answer any questions you might have. [LB74]

SENATOR HANSEN: Great. Are there any questions for Ms. Abraham? Seeing none, thank you for coming down. [LB74]

CHRISTY ABRAHAM: Thanks so much. [LB74]

SENATOR HANSEN: Welcome. [LB74]

JOE KOHOUT: Vice Chairman Hansen and members of the Urban Affairs Committee, Joe Kohout, K-o-h-o-u-t, registered lobbyist; appearing today on behalf of the aforementioned Sarpy County cities or the United Cities of Sarpy County--a coalition of the cities of La Vista, Papillion, Springfield, and Gretna. And unfortunately, Mayor Kindig had intended to be with you today to testify in support of LB74, but with weather he was unable to move a meeting that popped up on his calendar at his real day job this afternoon. So he apologizes he cannot be with you. I'm happy to let the committee know that this bill...I want to acknowledge committee counsel sending a preliminary version of this bill in the fall and allowing legal counsel for each of those cities to review it, analyze it, and come back with any changes. I'm pleased to report that LB74, as you have in front of you, is something that all four of those cities can agree to. And with that, I will end my testimony and try to answer any questions that you might have. [LB74]

SENATOR HANSEN: Great, thank you. Are there any questions? Seeing none, thank you for coming down. [LB74]

JOE KOHOUT: Thank you. [LB74]

SENATOR HANSEN: Are there any further proponent testimony? Seeing none, are there any opponent testimony? Seeing none, is there anybody wishing to testify in a neutral capacity? Seeing none, Senator Crawford, would you like to close? [LB74]

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SENATOR CRAWFORD: I would just like to thank the committee for the hearing time and also recognize the hard work of legal counsel on working on this bill, and also the cooperation of the cities in working on this bill just to make sure we have good, consistent statutes across the board. And it's an important cleanup bill on that front. And I appreciate your support and look forward to working with you on the bill. [LB74]

SENATOR HANSEN: Great, thank you. Are there any questions for Senator Crawford? Seeing none, thank you for the bill. And that will close the hearing on LB74. Next up on our agenda is LB133, which is an Urban Affairs committee bill. And per our tradition, we will have Urban Affairs committee counsel introduce the bill. When you're ready. [LB74]

TREVOR FITZGERALD: Good afternoon, Vice Chairman Hansen and members of the Urban Affairs Committee. For the record, my name is Trevor Fitzgerald, that's T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d, and I'm introducing LB133 on behalf of the committee. In 2014, the Urban Affairs Committee began a multi-year effort to update and modernize statutes governing the various classes of municipalities. Last year the committee introduced LB705, which served as a cleanup bill for statutes governing cities of the first class. LB705 was ultimately incorporated into one of the committee's two priority bills last session and became law. Last year the committee introduced LR495, an interim study to examine statutes in Chapter 17, that governed cities of the second class and villages. For the committee's record, municipalities in Nebraska as classified into five different categories, based upon population, with cities of the second class having a population between 801 and 5,000; while villages have a population between 100 and 800. A map of cities of the second class is included in the committee's materials. I regret to inform you that we tried to draw a map of all the villages in the state and it became impractical, due to size constraints. So LR, or sorry, LB133 is the product of LR495 and would amend sections of statute in Chapter 17 to make a variety of cleanup changes. Much of the current language in these statutes has not been amended since Nebraska statutes were recodified in 1943 and some may even date back to the late 1800s. Because LB133 amends more than 300 separate sections, I will not review each individual change contained in the bill. A section by section summary is contained in your materials and those changes can largely be grouped into 12 categories. First, the bill changes and corrects terminology. For example, changing "governing body" to "city council," "municipality" to "city," "first-class city" to "city of the first class," etcetera. Second, the bill changes subject-verb agreement in a number of places, i.e., singular to plural and vice versa. Third, the bill clarifies references to cities and villages extraterritorial zoning jurisdiction, or ETJ. Currently, the statutes refer to the ETJ in several different ways, some use extraterritorial zoning jurisdiction, some just say zoning jurisdiction, some use a lengthy reference to all property located within a one-mile radius of city limits. So LB133 changes all references to the ETJ to use the terminology of extraterritorial zoning jurisdiction and amends Section 17-1001 to define the default ETJ of a city of the second class or village as "the unincorporated area one mile beyond and adjacent to its corporate boundaries." Forth, the bill changes references to

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various types of improvement districts. Article V of Chapter 17 contains somewhat interchangeable references to paving districts, repaving districts, graveling districts, grating districts, curbing districts, etcetera. LB133 attempts to consolidate the references to these myriad types of districts so it's clear which statutes govern which type of districts. Fifth, the bill clarifies references to legal newspapers. As with references to improvement districts in the ETJ, various sections of statute referred to newspapers used for legal notices in different ways--located in the city, published in the city, of general circulation in the city. Additionally, some of the statutes specify that notice must be published in a legal newspaper, while some just specify a newspaper. So LB133 uses the same phrasing in all cases, basically published for period X in a legal newspaper in or of general circulation in the city. And the bill uses the term "legal newspaper" since there's an existing statutory definition of legal newspaper and every newspaper in the state of Nebraska currently meets that definition. In the case of cities of the second class and villages, occasionally there will not be a legal newspaper in or of general circulation in the city or village. A handful of statutory sections currently provide a process for giving public notice in those cases. So rather than replicate that language in every section where there was a reference to legal newspapers, Section 123 of the bill created a default procedure, a new statutory section that is a default procedure for public notices in cases where there is no legal newspaper in or of general circulation in the city or village. Sixth, the bill corrects references to various city or village officials, clearly identifying the city council, village board of trustees, etcetera. Seventh, the bill corrects gender references, typically replacing his with his or her. Eight, ninth, and tenth, the bill corrects internal statutory references, eliminates a number of run-on sentences, harmonizes other references to sections within Chapter 17. Eleventh, LB133 replaces or eliminates antiquated or obsolete language in a number of places. Again, I won't go into detail about all of these terms, but among the antiquated or archaic language eliminated under the bill are references to: telegraph poles, steam-powered railcars, tipping shops, hitching posts and rails, freeholders, and servants. The bill also outright repeals several sections of statute entirely, either based off antiquated language, preemption by other state or federal law, or constitutional issues. Of those sections that are outright repealed, I would draw attention to Sections 17-128, which contains potentially unconstitutional language regarding the desecration of the Sabbath day. Repealing this language was a recommendation made by the Revisor of Statutes' Office. While Sabbath desecration laws were found to be constitutional by the U.S. Supreme Court in 1961, if they were enacted for a secular purpose, a number of courts nationwide have struck down Sabbath desecration laws and ordinances because they were have a religious purpose or were found to be arbitrary, discriminatory, or unreasonable. Following the Supreme Court decision in 1961, several Nebraska cities had their Sabbath desecration laws declared unconstitutional, including Grand Island, Omaha, and Scottsbluff. Finally, the bill transfers several sections of statute to another area of the municipal statutes. For example, the statutes on platting were clearly intended as written to apply to all classes of municipality, but have been misplaced in Chapter 17, which only applies to cities of the second class and villages. Sections 309 through 326 of the bill contains those sections which would be transferred, and then Sections 327 through 329 direct the

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Revisor of Statutes to assign them to the correct chapter or article. Prior to introduction, a draft of LB133 was reviewed by the League of Municipalities and was submitted to the city clerk and city attorney for every city of the second class and village. There are several individuals here to testify behind me, including the League of Municipalities, but I would be happy to answer any technical questions the committee may have at this time. [LB133]

SENATOR HANSEN: Great, thank you. Are there any questions for Mr. Fitzgerald? Seeing none, we'll move to proponent testimony. Thank you, Trevor. So we'll take our first proponent. [LB133]

CHRISTY ABRAHAM: Good afternoon again. I am Christy Abraham, C-h-r-i-s-t-y, Abraham is A-b-r-a-h-a-m, and I am here representing the League of Nebraska Municipalities. And first we just want to give a big, giant thanks to this committee, and in particular, your legal counsel. I kind of want to put a plug in for myself, if you don't mind. When I was in the Revisor's Office, I did the first draft of this bill, and so I speak with authority when I say it's a monster. But we are greatly appreciative of this committee going through Chapter 17 and making all of these changes. As your legal counsel mentioned, these have not been touched in years and years and years and there was a lot of antiquated language to be cleaned up. And we certainly appreciate that. As Trevor mentioned, we were grateful to have the opportunity to send it out, an earlier draft, to attorneys who represent second class cities and villages, and other folks who are interested in this bill for their comments. We did receive a few comments back and this committee was gracious enough to include those in the draft, and we're very grateful for that. We also want to mention in particular we appreciate the clarification of the "village engineer." There was some mention in statute of a "special engineer," but not really clarification on that you can have a village engineer to begin with. So we were grateful for that clarification and also for the notice requirements. So again, thanks to this committee for all of your hard work. We are very grateful, and I'm happy to answer any questions you might have. [LB133]

SENATOR HANSEN: Great, thank you. Are there any questions? Seeing none, thank you for testifying. [LB133]

CHRISTY ABRAHAM: Thanks so much. [LB133]

SENATOR HANSEN: All right, we'll take our next proponent. [LB133]

ALLEN J. BEERMANN: Senator Hansen and members of this committee, my name is Allen J. Beermann, B-e-e-r-m-a-n-n. I represent the Nebraska Press Association and I'm testifying today basically with regard to category five of the changes, as outlined by Counsel Fitzgerald. We heartily endorse those changes. It clarifies exactly which paper is a legal paper and how papers

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are designated as those of general jurisdiction, and also the one section that outlines what happens if there is no legal paper in the area of that particular second class city. We would heartily endorse the changes made in category five as they relate to the definition of the legal paper. I would like to compliment Senator Crawford for taking a lead on this last year when we worked on a different category of cities, and of course Counsel Fitzgerald, whom we worked with on the changes in this bill. And so I'd be happy to answer questions if there are any, but we would endorse the changes as outlined in category five in the opening statement. [LB133]

SENATOR HANSEN: Great, thank you. Are there any questions for Mr. Beermann? Seeing none, thank you for testimony. [LB133]

ALLEN J. BEERMANN: Thank you for your courtesy. [LB133]

SENATOR HANSEN: Are there any further proponents of this bill? Seeing none, is there anyone who wishes to testify in opposition to this bill? Seeing none, is there anybody who wishes to testify in a neutral capacity? All right, seeing none, would you like to close? All right, seeing none, we will waive closing, and that will end our hearing on LB133. Up next is LB132, which is another Urban Affairs Committee bill. [LB132]

TREVOR FITZGERALD: Good afternoon again, Vice Chairman Hansen and members of the Urban Affairs Committee. Again for the record, my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d, and I'm introducing LB132 on behalf of the committee. As I mentioned in my opening for the previous bill, in 2014 the Urban Affairs Committee began a multi-year effort to update and modernize statutes governing the various classes of municipalities. Last year, the committee introduced LB705, which served as a cleanup bill for statutes governing cities of the first class. LB705 was ultimately incorporated into one of the committee's priority bills and became law. As is bound to happen with such an effort, there were a couple of things that we missed in LB705 last year. LB132 would simply correct those issues, harmonizing statutory references in two sections dealing with improvement districts and clarifying references to the extraterritorial zoning jurisdiction, or ETJ, in two sections. There are several individuals here to testify behind me, including the League of Municipalities, but I would be happy to answer any questions the committee may have at this time. [LB132]

SENATOR HANSEN: Great, thank you. Are there any questions? Seeing none, thank you for the introduction. And we will begin with proponent testimony for LB132. [LB132]

CHRISTY ABRAHAM: Good afternoon. [LB132]

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SENATOR HANSEN: Good afternoon. [LB132]

CHRISTY ABRAHAM: My name is Christy Abraham, spelled C-h-r-i-s-t-y A-b-r-a-h-a-m, representing the League of Nebraska Municipalities. And I promise, this is my last time testifying today. You're going to go back to the A-team on the next bill. Again, I apologize, I sound like a broken record. But the League again wants to thank the Urban Affairs Committee for their work on cleaning up and modernizing the municipal statutes. As your legal counsel mentioned, you had a massive rewrite of first-class cities last year. And I'm going to put in my second plug, I was the drafter on that first-class bill. And Trevor and I both agreed it was brilliantly drafted, but unfortunately there was a couple of things that we left out. So and this bill is just correcting those minor mistakes and we are very glad that that's going to happen. So now maybe the first-class cities, it's perfect. I don't know. Yeah, we're all hoping so. But anyway, thanks again for your time on this bill and we really do appreciate making these statutes be as modern and as clarifying as we make them. So thanks so much. [LB132]

SENATOR HANSEN: Great, thank you for your testimony. Are there any questions? Seeing none, thank you for being here. [LB132]

CHRISTY ABRAHAM: Thanks so much. [LB132]

SENATOR HANSEN: All right, we will take any further proponent testimony. Seeing none, we will take anybody who wishes to testify in opposition. All right, seeing none, we will take anybody who wishes to testify in a neutral capacity. All right, seeing none, I'll close the hearing on LB132. And that will lead us to our final bill of day, LB131, which is our third Urban Affairs Committee bill. [LB131]

TREVOR FITZGERALD: Good afternoon, Vice Chairman Hansen and members of the Urban Affairs Committee. Again for the record, my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d, and I'm introducing LB131 on behalf of the committee. LB131 is a technical bill designed to address an issue in the urban growth district statutes. In 2009, the Legislature authorized the creation of urban growth districts as a mechanism to finance municipal infrastructure needs. Under Nebraska Revised Statute 18-2901, a municipality may establish one or more urban growth districts in areas of the municipality which were not within its corporate limits as they existed 20 years prior. Once the districts are created the municipality may then utilize the estimated local option sales tax revenue generated within the district to issue urban growth bonds and refunding bonds to finance or refinance the construction improvements of roads, streets, streetscapes, bridges, and related structures. During the Urban Affairs Committee's work on the LR155 interim study in 2015, which took a comprehensive look at current and potential economic development tools available to municipalities in Nebraska, it was discovered that the

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process of setting the territory for an urban growth district creates effectively a chicken and egg situation. Under current statute, the territory of a district must be in an area that was outside of the corporate limits of the municipality as they existed 20 years prior to the issuance of any urban growth bonds. But since a municipality cannot issue urban growth bonds until it has first created an urban growth district, it may be difficult, perhaps even impossible, for a municipality to accurately set the requirements for the territory of an urban growth district under current law. LB131 would change the requirements for the territory of an urban growth district so that it's limited to areas outside the municipality's corporate limits as they existed 20 years prior to the creation of the district, rather than 20 years prior to the issuance of the bonds. There again are several individuals here to testify behind me, including the League of Municipalities, but I'd be happy to answer any questions the committee may have at this time. [LB131]

SENATOR HANSEN: Great, thank you. Any questions for Mr. Fitzgerald? Seeing none, thank you for your introduction. All right, we'll begin with proponent testimony. Welcome. [LB131]

LYNN REX: Thank you, Senators. Members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We thank you again for the introduction of this bill. We think that this is an important clarification measure because, as committee counsel has outlined to you, it's really a Catch-22 and therefore municipalities have not been able to actually create urban development districts. So this is a very vital bill of importance to us. If you look on Page 2 of the bill, the language that Trevor Fitzgerald was referencing on Page 2, Lines 20 to 22, outlines the fact that we're inserting language here to say outside the municipalities corporate limits as they existed as of the date 20 years prior to; and then the new language, creation of the urban growth district. And the language that is being deleted there in the lines that follow basically made it impossible to create the district in the first instance. So this only makes this bill doable. Senator McGill, former Chair of this committee, actually introduced the legislation that created the urban growth districts, and now we'll be able to actually achieve those. So we thank committee counsel for his work, as well as the committee itself. Thank you very much, and I'm happy to respond to any questions that you might have. [LB131]

SENATOR HANSEN: Great, thank you. Are there any questions? Seeing none, thank you for coming to testify. [LB131]

LYNN REX: Thank you very much. [LB131]

SENATOR HANSEN: Are there any further proponent testimony on LB131? Seeing none, is there any opposition testimony to LB131? Seeing none, anybody wishing to testify in a neutral

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capacity? Seeing none, that closes our hearing on LB131 and hearings for the day. Thank you, everyone. [LB131]