

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 876

Introduced by Walz, 15.

Read first time January 09, 2020

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to the Community Development Law; to amend
- 2 section 18-2103, Revised Statutes Supplement, 2019; to change
- 3 provisions relating to limitations on blighted areas; and to repeal
- 4 the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2103, Revised Statutes Supplement, 2019, is
2 amended to read:

3 18-2103 For purposes of the Community Development Law, unless the
4 context otherwise requires:

5 (1) Area of operation means and includes the area within the
6 corporate limits of the city and such land outside the city as may come
7 within the purview of sections 18-2123 and 18-2123.01;

8 (2) Authority means any community redevelopment authority created
9 pursuant to section 18-2102.01 and a city or village which has created a
10 community development agency pursuant to the provisions of section
11 18-2101.01 and does not include a limited community redevelopment
12 authority;

13 (3) Blighted area means an area (a) which, by reason of the presence
14 of a substantial number of deteriorated or deteriorating structures,
15 existence of defective or inadequate street layout, faulty lot layout in
16 relation to size, adequacy, accessibility, or usefulness, insanitary or
17 unsafe conditions, deterioration of site or other improvements, diversity
18 of ownership, tax or special assessment delinquency exceeding the fair
19 value of the land, defective or unusual conditions of title, improper
20 subdivision or obsolete platting, or the existence of conditions which
21 endanger life or property by fire and other causes, or any combination of
22 such factors, substantially impairs or arrests the sound growth of the
23 community, retards the provision of housing accommodations, or
24 constitutes an economic or social liability and is detrimental to the
25 public health, safety, morals, or welfare in its present condition and
26 use and (b) in which there is at least one of the following conditions:
27 (i) Unemployment in the designated area is at least one hundred twenty
28 percent of the state or national average; (ii) the average age of the
29 residential or commercial units in the area is at least forty years;
30 (iii) more than half of the plotted and subdivided property in an area is
31 unimproved land that has been within the city for forty years and has

1 remained unimproved during that time; (iv) the per capita income of the
2 area is lower than the average per capita income of the city or village
3 in which the area is designated; or (v) the area has had either stable or
4 decreasing population based on the last two decennial censuses. In no
5 event shall a city of the metropolitan, primary, or first class designate
6 more than thirty-five percent of the city as blighted, a city of the
7 second class shall not designate an area larger than fifty percent of the
8 city as blighted, and a village shall not designate an area larger than
9 one hundred percent of the village as blighted. A redevelopment project
10 involving a formerly used defense site as authorized under section
11 18-2123.01 and any area declared to be an extremely blighted area under
12 section 18-2101.02 shall not count towards the percentage limitations
13 contained in this subdivision;

14 (4) Bonds means any bonds, including refunding bonds, notes, interim
15 certificates, debentures, or other obligations issued pursuant to the
16 Community Development Law except for bonds issued pursuant to section
17 18-2142.04;

18 (5) Business means any private business located in an enhanced
19 employment area;

20 (6) City means any city or incorporated village in the state;

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

22 (8) Community redevelopment area means a substandard and blighted
23 area which the community redevelopment authority designates as
24 appropriate for a renewal project;

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

27 (10) Employer-provided health benefit means any item paid for by the
28 employer in total or in part that aids in the cost of health care
29 services, including, but not limited to, health insurance, health savings
30 accounts, and employer reimbursement of health care costs;

31 (11) Enhanced employment area means an area not exceeding six

1 hundred acres (a) within a community redevelopment area which is
2 designated by an authority as eligible for the imposition of an
3 occupation tax or (b) not within a community redevelopment area as may be
4 designated under section 18-2142.04;

5 (12) Equivalent employees means the number of employees computed by
6 (a) dividing the total hours to be paid in a year by (b) the product of
7 forty times the number of weeks in a year;

8 (13) Extremely blighted area means a substandard and blighted area
9 in which: (a) The average rate of unemployment in the area during the
10 period covered by the most recent federal decennial census or American
11 Community Survey 5-Year Estimate is at least two hundred percent of the
12 average rate of unemployment in the state during the same period; and (b)
13 the average poverty rate in the area exceeds twenty percent for the total
14 federal census tract or tracts or federal census block group or block
15 groups in the area;

16 (14) Federal government means the United States of America, or any
17 agency or instrumentality, corporate or otherwise, of the United States
18 of America;

19 (15) Governing body or local governing body means the city council,
20 board of trustees, or other legislative body charged with governing the
21 municipality;

22 (16) Limited community redevelopment authority means a community
23 redevelopment authority created pursuant to section 18-2102.01 having
24 only one single specific limited pilot project authorized;

25 (17) Mayor means the mayor of the city or chairperson of the board
26 of trustees of the village;

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

29 (19) Number of new employees means the number of equivalent
30 employees that are employed at a business as a result of the
31 redevelopment project during a year that are in excess of the number of

1 equivalent employees during the year immediately prior to the year that a
2 redevelopment plan is adopted;

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

9 (21) Occupation tax means a tax imposed under section 18-2142.02;

10 (22) Person means any individual, firm, partnership, limited
11 liability company, corporation, company, association, joint-stock
12 association, or body politic and includes any trustee, receiver,
13 assignee, or other similar representative thereof;

14 (23) Public body means the state or any municipality, county,
15 township, board, commission, authority, district, or other political
16 subdivision or public body of the state;

17 (24) Real property means all lands, including improvements and
18 fixtures thereon, and property of any nature appurtenant thereto, or used
19 in connection therewith, and every estate, interest and right, legal or
20 equitable, therein, including terms for years and liens by way of
21 judgment, mortgage, or otherwise, and the indebtedness secured by such
22 liens;

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

26 (26) Redevelopment contract means a contract entered into between an
27 authority and a redeveloper for the redevelopment of an area in
28 conformity with a redevelopment plan;

29 (27) Redevelopment plan means a plan, as it exists from time to time
30 for one or more community redevelopment areas, or for a redevelopment
31 project, which (a) conforms to the general plan for the municipality as a

1 whole and (b) is sufficiently complete to indicate such land acquisition,
2 demolition and removal of structures, redevelopment, improvements, and
3 rehabilitation as may be proposed to be carried out in the community
4 redevelopment area, zoning and planning changes, if any, land uses,
5 maximum densities, and building requirements;

6 (28) Redevelopment project means any work or undertaking in one or
7 more community redevelopment areas: (a) To acquire substandard and
8 blighted areas or portions thereof, including lands, structures, or
9 improvements the acquisition of which is necessary or incidental to the
10 proper clearance, development, or redevelopment of such substandard and
11 blighted areas; (b) to clear any such areas by demolition or removal of
12 existing buildings, structures, streets, utilities, or other improvements
13 thereon and to install, construct, or reconstruct streets, utilities,
14 parks, playgrounds, public spaces, public parking facilities, sidewalks
15 or 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, enhancements to structures in the redevelopment plan area
19 which exceed minimum building and design standards in the community and
20 prevent the recurrence of substandard and blighted conditions, and any
21 other necessary public improvements essential to the preparation of sites
22 for uses in accordance with a redevelopment plan; (c) to sell, lease, or
23 otherwise make available land in such areas for residential,
24 recreational, commercial, industrial, or other uses, including parking or
25 other facilities functionally related or subordinate to such uses, or for
26 public use or to retain such land for public use, in accordance with a
27 redevelopment plan; and may also include the preparation of the
28 redevelopment plan, the planning, survey, and other work incident to a
29 redevelopment project and the preparation of all plans and arrangements
30 for carrying out a redevelopment project; (d) to dispose of all real and
31 personal property or any interest in such property, or assets, cash, or

1 other funds held or used in connection with residential, recreational,
2 commercial, industrial, or other uses, including parking or other
3 facilities functionally related or subordinate to such uses, or any
4 public use specified in a redevelopment plan or project, except that such
5 disposition shall be at its fair value for uses in accordance with the
6 redevelopment plan; (e) to acquire real property in a community
7 redevelopment area which, under the redevelopment plan, is to be repaired
8 or rehabilitated for dwelling use or related facilities, repair or
9 rehabilitate the structures, and resell the property; (f) to carry out
10 plans for a program of voluntary or compulsory repair, rehabilitation, or
11 demolition of buildings in accordance with the redevelopment plan; and
12 (g) in a rural community or in an extremely blighted area within a
13 municipality that is not a rural community, to carry out construction of
14 workforce housing;

15 (29) Redevelopment project valuation means the valuation for
16 assessment of the taxable real property in a redevelopment project last
17 certified for the year prior to the effective date of the provision
18 authorized in section 18-2147;

19 (30) Rural community means any municipality in a county with a
20 population of fewer than one hundred thousand inhabitants as determined
21 by the most recent federal decennial census;

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

1 (32) Workforce housing means:

2 (a) Housing that meets the needs of today's working families;

3 (b) Housing that is attractive to new residents considering
4 relocation to a rural community;

5 (c) Owner-occupied housing units that cost not more than two hundred
6 seventy-five thousand dollars to construct or rental housing units that
7 cost not more than two hundred thousand dollars per unit to construct.
8 For purposes of this subdivision (c), housing unit costs shall be updated
9 annually by the Department of Economic Development based upon the most
10 recent increase or decrease in the Producer Price Index for all
11 commodities, published by the United States Department of Labor, Bureau
12 of Labor Statistics;

13 (d) Owner-occupied and rental housing units for which the cost to
14 substantially rehabilitate exceeds fifty percent of a unit's assessed
15 value; and

16 (e) Upper-story housing.

17 Sec. 2. Original section 18-2103, Revised Statutes Supplement,
18 2019, is repealed.