

E AND R AMENDMENTS TO LB 1065

Introduced by McKinney, 11, Chairman Enrollment and Review

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

3           Section 1. Section 18-2101.02, Revised Statutes Supplement, 2021, is  
4 amended to read:

5           18-2101.02 (1) For any city that (a) intends to carry out a  
6 redevelopment project which will involve the construction of workforce  
7 housing in an extremely blighted area as authorized under subdivision  
8 (28)(g) of section 18-2103, (b) intends to prepare a redevelopment plan  
9 that will divide ad valorem taxes for a period of more than fifteen years  
10 but not more than twenty years as provided in subdivision ~~(3)(a)~~ ~~(3)(b)~~  
11 of section 18-2147, (c) intends to declare an area as an extremely  
12 blighted area for purposes of funding decisions under subdivision (1)(b)  
13 of section 58-708, or (d) intends to declare an area as an extremely  
14 blighted area in order for individuals purchasing residences in such area  
15 to qualify for the income tax credit authorized in subsection (7) of  
16 section 77-2715.07, the governing body of such city shall first declare,  
17 by resolution adopted after the public hearings required under this  
18 section, such area to be an extremely blighted area.

19           (2) Prior to making such declaration, the governing body of the city  
20 shall conduct or cause to be conducted a study or an analysis on whether  
21 the area is extremely blighted and shall submit the question of whether  
22 such area is extremely blighted to the planning commission or board of  
23 the city for its review and recommendation. The planning commission or  
24 board shall hold a public hearing on the question after giving notice of  
25 the hearing as provided in section 18-2115.01. The planning commission or  
26 board shall submit its written recommendations to the governing body of  
27 the city within thirty days after the public hearing.

1           (3) Upon receipt of the recommendations of the planning commission  
2 or board, or if no recommendations are received within thirty days after  
3 the public hearing required under subsection (2) of this section, the  
4 governing body shall hold a public hearing on the question of whether the  
5 area is extremely blighted after giving notice of the hearing as provided  
6 in section 18-2115.01. At the public hearing, all interested parties  
7 shall be afforded a reasonable opportunity to express their views  
8 respecting the proposed declaration. After such hearing, the governing  
9 body of the city may make its declaration.

10           (4) Copies of each study or analysis conducted pursuant to  
11 subsection (2) of this section shall be posted on the city's public  
12 website or made available for public inspection at a location designated  
13 by the city.

14           (5) The study or analysis required under subsection (2) of this  
15 section may be conducted in conjunction with the study or analysis  
16 required under section 18-2109. The hearings required under this section  
17 may be held in conjunction with the hearings required under section  
18 18-2109.

19           Sec. 2. Section 18-2109, Revised Statutes Cumulative Supplement,  
20 2020, is amended to read:

21           18-2109 (1) A redevelopment plan for a redevelopment project area  
22 shall not be prepared and the governing body of the city in which such  
23 area is located shall not approve a redevelopment plan unless the  
24 governing body has, by resolution adopted after the public hearings  
25 required under this section, declared such area to be a substandard and  
26 blighted area in need of redevelopment.

27           (2) Prior to making such declaration, the governing body of the city  
28 shall conduct or cause to be conducted a study or an analysis on whether  
29 the area is substandard and blighted and shall submit the question of  
30 whether such area is substandard and blighted to the planning commission  
31 or board of the city for its review and recommendation. The planning

1 commission or board shall hold a public hearing on the question after  
2 giving notice of the hearing as provided in section 18-2115.01. The  
3 planning commission or board shall submit its written recommendations to  
4 the governing body of the city within thirty days after the public  
5 hearing.

6 (3) Upon receipt of the recommendations of the planning commission  
7 or board, or if no recommendations are received within thirty days after  
8 the public hearing required under subsection (2) of this section, the  
9 governing body shall hold a public hearing on the question of whether the  
10 area is substandard and blighted after giving notice of the hearing as  
11 provided in section 18-2115.01. At the public hearing, all interested  
12 parties shall be afforded a reasonable opportunity to express their views  
13 respecting the proposed declaration. After such hearing, the governing  
14 body of the city may declare such area or any portion of such area to be  
15 a substandard and blighted area ~~make its declaration.~~

16 (4) Copies of each substandard and blighted study or analysis  
17 conducted pursuant to subsection (2) of this section shall be posted on  
18 the city's public website or made available for public inspection at a  
19 location designated by the city.

20 Sec. 3. Section 18-2147, Revised Statutes Supplement, 2021, is  
21 amended to read:

22 18-2147 (1) Any redevelopment plan as originally approved or as  
23 later modified pursuant to section 18-2117 may contain a provision that  
24 any ad valorem tax levied upon real property, or any portion thereof, in  
25 a redevelopment project for the benefit of any public body shall be  
26 divided, for the applicable period described in subsection (3) of this  
27 section, as follows:

28 (a) That portion of the ad valorem tax which is produced by the levy  
29 at the rate fixed each year by or for each such public body upon the  
30 redevelopment project valuation shall be paid into the funds of each such  
31 public body in the same proportion as are all other taxes collected by or

1 for the body. When there is not a redevelopment project valuation on a  
2 parcel or parcels, the county assessor shall determine the redevelopment  
3 project valuation based upon the fair market valuation of the parcel or  
4 parcels as of January 1 of the year prior to the year that the ad valorem  
5 taxes are to be divided. The county assessor shall provide written notice  
6 of the redevelopment project valuation to the authority as defined in  
7 section 18-2103 and the owner. The authority or owner may protest the  
8 valuation to the county board of equalization within thirty days after  
9 the date of the valuation notice. All provisions of section 77-1502  
10 except dates for filing of a protest, the period for hearing protests,  
11 and the date for mailing notice of the county board of equalization's  
12 decision are applicable to any protest filed pursuant to this section.  
13 The county board of equalization shall decide any protest filed pursuant  
14 to this section within thirty days after the filing of the protest. The  
15 county clerk shall mail a copy of the decision made by the county board  
16 of equalization on protests pursuant to this section to the authority or  
17 owner within seven days after the board's decision. Any decision of the  
18 county board of equalization may be appealed to the Tax Equalization and  
19 Review Commission, in accordance with section 77-5013, within thirty days  
20 after the date of the decision;

21 (b) That portion of the ad valorem tax on real property, as provided  
22 in the redevelopment contract, bond resolution, or redevelopment plan, as  
23 applicable, in the redevelopment project in excess of such amount, if  
24 any, shall be allocated to and, when collected, paid into a special fund  
25 of the authority to be used solely to pay the principal of, the interest  
26 on, and any premiums due in connection with the bonds of, loans, notes,  
27 or advances of money to, or indebtedness incurred by, whether funded,  
28 refunded, assumed, or otherwise, such authority for financing or  
29 refinancing, in whole or in part, the redevelopment project. When such  
30 bonds, loans, notes, advances of money, or indebtedness, including  
31 interest and premiums due, have been paid, the authority shall so notify

1 the county assessor and county treasurer and all ad valorem taxes upon  
2 taxable real property in such a redevelopment project shall be paid into  
3 the funds of the respective public bodies. An authority may use a single  
4 fund for purposes of this subdivision for all redevelopment projects or  
5 may use a separate fund for each redevelopment project; and

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

9 (2) To the extent that a redevelopment plan authorizes the division  
10 of ad valorem taxes levied upon only a portion of the real property  
11 included in such redevelopment plan, any improvements funded by such  
12 division of taxes shall be related to the redevelopment plan that  
13 authorized such division of taxes.

14 ~~(3)(a) For redevelopment plans that receive an expedited review~~  
15 ~~under section 18-2155, ad valorem taxes shall be divided for a period not~~  
16 ~~to exceed ten years after the effective date as identified in the~~  
17 ~~redemption plan.~~

18 (3)(a) ~~(b)~~ For any redevelopment plan for which more than fifty  
19 percent of the property in the redevelopment project area has been  
20 declared an extremely blighted area in accordance with section  
21 18-2101.02, ad valorem taxes shall be divided for a period not to exceed  
22 twenty years after the effective date as identified in the project  
23 redevelopment contract or in the resolution of the authority authorizing  
24 the issuance of bonds pursuant to section 18-2124.

25 ~~(b) (e)~~ For all other redevelopment plans, ad valorem taxes shall be  
26 divided for a period not to exceed fifteen years after the effective date  
27 as identified in the project redevelopment contract, ~~or~~ in the resolution  
28 of the authority authorizing the issuance of bonds pursuant to section  
29 18-2124, or in the redevelopment plan, whichever is applicable.

30 (4) The effective date of a provision dividing ad valorem taxes as  
31 provided in subsection (3) of this section shall not occur until such

1 time as the real property in the redevelopment project is within the  
2 corporate boundaries of the city. This subsection shall not apply to a  
3 redevelopment project involving a formerly used defense site as  
4 authorized in section 18-2123.01.

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

21 Sec. 4. Section 18-2155, Revised Statutes Cumulative Supplement,  
22 2020, is amended to read:

23 18-2155 (1) The governing body of a city may elect by resolution to  
24 allow expedited reviews of redevelopment plans that meet the requirements  
25 of subsection (2) of this section. A redevelopment plan that receives an  
26 expedited review pursuant to this section shall be exempt from the  
27 requirements of sections 18-2111 to 18-2115 and 18-2116.

28 (2) A redevelopment plan is eligible for expedited review under this  
29 section if:

30 (a) The redevelopment plan includes only one redevelopment project;

31 (b) The redevelopment project involves:

1           ~~(i) The the~~ repair, rehabilitation, or replacement of an existing  
2 structure that has been within the corporate limits of the city for at  
3 least sixty years and is located within a substandard and blighted area;  
4 or

5           ~~(ii) The~~ redevelopment of a vacant lot that is located within a  
6 substandard and blighted area that has been within the corporate limits  
7 of the city for at least sixty years and has been platted for at least  
8 sixty years;

9           (c) The redevelopment project is located in a county with a  
10 population of less than one hundred thousand inhabitants; and

11           ~~(d) The existing structure is at least sixty years old; and~~

12           ~~(d) (e)~~ The assessed value of the property within the redevelopment  
13 project area when the project is complete is estimated to be no more  
14 than:

15           (i) Three ~~Two~~ hundred fifty thousand dollars for a redevelopment  
16 project involving a single-family residential structure;

17           (ii) One million five hundred thousand dollars for a redevelopment  
18 project involving a multi-family residential structure or commercial  
19 structure; or

20           (iii) Ten million dollars for a redevelopment project involving the  
21 revitalization of a structure included in the National Register of  
22 Historic Places.

23           (3) The expedited review shall consist of the following steps:

24           (a) A redeveloper shall prepare the redevelopment plan using a  
25 standard form developed by the Department of Economic Development. The  
26 form shall include (i) the existing uses and condition of the property  
27 within the redevelopment project area, (ii) the proposed uses of the  
28 property within the redevelopment project area, (iii) the number of years  
29 current age of the existing structure has been within the corporate  
30 limits of the city or the number of years that the vacant lot has been  
31 platted within the corporate limits of the city, whichever is applicable,

1 (iv) the current assessed value of the property within the redevelopment  
2 project area, (v) the increase in the assessed value of the property  
3 within the redevelopment project area that is estimated to occur as a  
4 result of the redevelopment project, and (vi) an indication of whether  
5 the redevelopment project will be financed in whole or in part through  
6 the division of taxes as provided in section 18-2147;

7 (b) The redeveloper shall submit the redevelopment plan directly to  
8 the governing body along with any building permit or other permits  
9 necessary to complete the redevelopment project and an application fee in  
10 an amount set by the governing body, not to exceed fifty dollars. Such  
11 application fee shall be separate from any fees for building permits or  
12 other permits needed for the project; and

13 (c) If the governing body has elected to allow expedited reviews of  
14 redevelopment plans under subsection (1) of this section and the  
15 submitted redevelopment plan meets the requirements of subsection (2) of  
16 this section, the governing body shall approve the redevelopment plan  
17 within thirty days after submission of the plan.

18 (4) Each city may select the appropriate employee or department to  
19 conduct expedited reviews pursuant to this section.

20 (5) For any approved redevelopment project that is financed in whole  
21 or in part through the division of taxes as provided in section 18-2147:

22 (a) The authority shall incur indebtedness in the form of a  
23 promissory note issued to the owner of record of the property within the  
24 redevelopment project area ~~on which the structure identified in the~~  
25 ~~redevelopment plan is located~~. The total amount of indebtedness shall not  
26 exceed the amount estimated to be generated over a fifteen-year ~~ten-year~~  
27 period from the portion of taxes mentioned in subdivision (1)(b) of  
28 section 18-2147. The terms of such promissory note shall clearly state  
29 that such indebtedness does not create a general obligation on behalf of  
30 the authority or the city in the event that the amount generated over a  
31 fifteen-year ~~ten-year~~ period from the portion of taxes mentioned in

1 subdivision (1)(b) of section 18-2147 does not equal the costs of the  
2 agreed-upon work to repair, rehabilitate, or replace the structure or to  
3 redevelop the vacant lot as provided in the redevelopment plan;

4 (b) Upon completion of the agreed-upon work to repair, rehabilitate,  
5 or replace the structure or to redevelop the vacant lot as provided in  
6 the redevelopment plan, the redeveloper shall notify the county assessor  
7 of such completion; and

8 (c) The county assessor shall then determine:

9 (i) Whether the redevelopment project is complete. Redevelopment  
10 projects must be completed within two years after the redevelopment plan  
11 is approved under this section; and

12 (ii) The assessed value of the property within the redevelopment  
13 project area.

14 (6) After the county assessor makes the determinations required  
15 under subdivision (5)(c) of this section, the county assessor shall use a  
16 standard certification form developed by the Department of Revenue to  
17 certify to the authority:

18 (a) That improvements have been made and completed;

19 (b) That a valuation increase has occurred;

20 (c) The amount of the valuation increase; and

21 (d) That the valuation increase was due to the improvements made.

22 (7) Once the county assessor has made the certification required  
23 under subsection (6) of this section, the authority may begin to use the  
24 portion of taxes mentioned in subdivision (1)(b) of section 18-2147 to  
25 pay the indebtedness incurred by the authority under subdivision (5)(a)  
26 of this section. The payments shall be remitted to the owner of record of  
27 the property within the redevelopment project area ~~on which the structure~~  
28 ~~identified in the redevelopment plan is located.~~

29 (8) A single fund may be used for all redevelopment projects that  
30 receive an expedited review pursuant to this section. It shall not be  
31 necessary to create a separate fund for any such project, including a

1 project financed in whole or in part through the division of taxes as  
2 provided in section 18-2147.

3 Sec. 5. Original sections 18-2109 and 18-2155, Revised Statutes  
4 Cumulative Supplement, 2020, and sections 18-2101.02 and 18-2147, Revised  
5 Statutes Supplement, 2021, are repealed.

6 2. On page 1, strike lines 2 through 6 and insert "sections 18-2109  
7 and 18-2155, Revised Statutes Cumulative Supplement, 2020, and sections  
8 18-2101.02 and 18-2147, Revised Statutes Supplement, 2021; to change and  
9 eliminate provisions relating to declarations of substandard and blighted  
10 areas and redevelopment plans receiving an expedited review; to harmonize  
11 provisions; and to repeal the original sections."