

AMENDMENTS TO LB532

Introduced by Urban Affairs.

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

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

5 18-2101 Sections 18-2101 to 18-2155 and sections 8 and 9 of this act
6 shall be known and may be cited as the Community Development Law.

7 Sec. 2. Section 18-2101.02, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 18-2101.02 (1) For any city that (a) intends to carry out a
10 redevelopment project which will involve the construction of workforce
11 housing in an extremely blighted area as authorized under subdivision
12 (28)(g) of section 18-2103, (b) intends to prepare a redevelopment plan
13 that will divide ad valorem taxes for a period of more than fifteen years
14 but not more than twenty years as provided in subdivision ~~(4)(a)~~ ~~(3)(a)~~
15 of section 18-2147, (c) intends to declare an area as an extremely
16 blighted area for purposes of funding decisions under subdivision (1)(b)
17 of section 58-708, or (d) intends to declare an area as an extremely
18 blighted area in order for individuals purchasing residences in such area
19 to qualify for the income tax credit authorized in subsection (7) of
20 section 77-2715.07, the governing body of such city shall first declare,
21 by resolution adopted after the public hearings required under this
22 section, such area to be an extremely blighted area.

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

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

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

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

18 (5) The study or analysis required under subsection (2) of this
19 section may be conducted in conjunction with the study or analysis
20 required under section 18-2109. The hearings required under this section
21 may be held in conjunction with the hearings required under section
22 18-2109.

23 (6) Notwithstanding any other provisions of the Community
24 Development Law, the designation of an area as an extremely blighted area
25 pursuant to this section shall be valid for a period of no less than
26 twenty-five years from the effective date of the resolution declaring
27 such area to be an extremely blighted area, except that such designation
28 may be removed prior to the end of such period pursuant to section 8 of
29 this act.

30 Sec. 3. Section 18-2105, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 18-2105 (1) The governing body of a city or an authority at its
2 direction for the purposes of the Community Development Law may formulate
3 for the city ~~entire municipality~~ a workable program for utilizing
4 appropriate private and public resources to eliminate or prevent the
5 development or spread of urban blight, to encourage needed urban
6 rehabilitation, to provide for the redevelopment of substandard and
7 blighted areas, or to undertake any or all of ~~such of the aforesaid~~
8 activities or other feasible ~~municipal~~ activities as may be suitably
9 employed to achieve the objectives of such workable program. Such
10 workable program may include, without limitation, provision for (a) the
11 prevention of the spread of blight into areas of the city ~~municipality~~
12 which are free from blight through diligent enforcement of housing,
13 zoning, and occupancy controls and standards, (b) ÷ the rehabilitation or
14 conservation of substandard and blighted areas or portions of such areas
15 ~~thereof~~ by replanning, removing congestion, and providing parks,
16 playgrounds, and other public improvements by encouraging voluntary
17 rehabilitation and by compelling the repair and rehabilitation of
18 deteriorated or deteriorating structures, ÷ and (c) the clearance and
19 redevelopment of substandard and blighted areas or portions of such areas
20 ~~thereof~~.

21 (2) As part of a workable program formulated under subsection (1) of
22 this section, the governing body of a city or an authority may develop
23 guidelines for the consideration or approval of redevelopment projects
24 that are financed in whole or in part through the division of taxes as
25 provided in section 18-2147. Such guidelines may establish general goals
26 and priorities for the use of funds from such division of taxes or
27 limitations or restrictions on the use of funds from such division of
28 taxes within such city.

29 (3) Notwithstanding any other provisions of the Community
30 Development Law, where the local governing body certifies that an area is
31 in need of redevelopment or rehabilitation as a result of flood, fire,

1 hurricane, earthquake, storm, or other catastrophe respecting which the
2 Governor of the state has certified the need for disaster assistance
3 under federal law, the local governing body may approve a redevelopment
4 plan and a redevelopment project with respect to such area without regard
5 to the provisions of the Community Development Law requiring a general
6 plan for the city municipality and notice and public hearing or findings
7 other than as provided in this section ~~herein set forth~~.

8 Sec. 4. Section 18-2117.01, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 18-2117.01 (1)(a) On or before December 1 each year, each city which
11 has approved one or more redevelopment plans which are financed in whole
12 or in part through the division of taxes as provided in section 18-2147
13 shall provide a report to the Property Tax Administrator on each such
14 redevelopment plan which includes the following information:

15 (i) A copy of the redevelopment plan and any amendments thereto,
16 including the date upon which the redevelopment plan was approved, the
17 effective date for dividing the ad valorem tax as provided to the county
18 assessor pursuant to subsection (6) ~~(5)~~ of section 18-2147, and the
19 location and boundaries of the property in the redevelopment project; and

20 (ii) A short narrative description of the type of development
21 undertaken by the city or village with the financing and the type of
22 business or commercial activity locating within the redevelopment project
23 area as a result of the redevelopment project.

24 (b) If a city has approved one or more redevelopment plans using an
25 expedited review under section 18-2155, the city may file a single report
26 under this subsection for all such redevelopment plans.

27 (2) The report required under subsection (1) of this section must be
28 filed each year, regardless of whether the information in the report has
29 changed, except that a city is not required to refile a copy of the
30 redevelopment plan or an amendment thereto if such copy or amendment has
31 previously been filed.

1 (3) The Property Tax Administrator shall compile a report for each
2 active redevelopment project, based upon information provided by the
3 cities pursuant to subsection (1) of this section and information
4 reported by the county assessor or county clerk on the certificate of
5 taxes levied pursuant to section 77-1613.01. Each report shall be
6 electronically transmitted to the Clerk of the Legislature not later than
7 March 1 each year. The report may include any recommendations of the
8 Property Tax Administrator as to what other information should be
9 included in the report from the cities so as to facilitate analysis of
10 the uses, purposes, and effectiveness of tax-increment financing and the
11 process for its implementation or to streamline the reporting process
12 provided for in this section to eliminate unnecessary paperwork.

13 Sec. 5. Section 18-2117.02, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 18-2117.02 On or before May 1 of each year, each authority, or such
16 other division or department of the city as designated by the governing
17 body, shall compile information regarding the approval and progress of
18 redevelopment projects that are financed in whole or in part through the
19 division of taxes as provided in section 18-2147 and report such
20 information to the governing body of the city and to the governing body
21 of each county, school district, community college area, educational
22 service unit, and natural resources district whose property taxes are
23 affected by such division of taxes. The report shall include, but not be
24 limited to, the following information:

25 (1) The total number of active redevelopment projects within the
26 city that have been financed in whole or in part through the division of
27 taxes as provided in section 18-2147;

28 (2) The total estimated project costs for all such redevelopment
29 projects;

30 (3) The estimated amount of outstanding indebtedness related to each
31 such redevelopment project and an estimated date by which such

1 indebtedness is expected to be paid in full;

2 ~~(4)~~ (3) A comparison between the initial projected valuation of
3 property included in each such redevelopment project as described in the
4 redevelopment contract or, for redevelopment projects approved using an
5 expedited review under section 18-2155, in the redevelopment plan and the
6 assessed value of the property included in each such redevelopment
7 project as of January 1 of the year of the report;

8 ~~(5)~~ (4) The number of such redevelopment projects approved by the
9 governing body in the previous calendar year;

10 ~~(6)~~ (5) Information specific to each such redevelopment project
11 approved by the governing body in the previous calendar year, including
12 the project area, project type, amount of financing approved, and total
13 estimated project costs;

14 ~~(7)~~ (6) The number of redevelopment projects for which financing has
15 been paid in full during the previous calendar year and for which taxes
16 are no longer being divided pursuant to section 18-2147; and

17 ~~(8)~~ (7) The percentage of the city that has been designated as
18 blighted.

19 Sec. 6. Section 18-2142.05, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 18-2142.05 Prior to approving a redevelopment project that expressly
22 carries out the construction of workforce housing, a governing body shall
23 (1) receive a housing study which is current within twenty-four months
24 for any city of the metropolitan class or current within sixty months for
25 any other city or village, (2) prepare an incentive plan for construction
26 of housing in the municipality targeted to house existing or new workers,
27 (3) hold a public hearing on such incentive plan with notice which
28 complies with the conditions set forth in section 18-2115.01, and (4)
29 after the public hearing find that such incentive plan is necessary to
30 prevent the spread of blight and substandard conditions within the
31 municipality, will promote additional safe and suitable housing for

1 individuals and families employed in the municipality, and will not
2 result in the unjust enrichment of any individual or company. A public
3 hearing held under this section shall be separate from any public hearing
4 held under section 18-2115.

5 Sec. 7. Section 18-2147, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 18-2147 (1) Any redevelopment plan as originally approved or as
8 later modified pursuant to section 18-2117 may contain a provision that
9 any ad valorem tax levied upon real property, or any portion thereof, in
10 a redevelopment project for the benefit of any public body shall be
11 divided, for the applicable period described in subsection (4) ~~(3)~~ of
12 this section, as follows:

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

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

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

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

25 (2) To the extent that a redevelopment plan authorizes the division
26 of ad valorem taxes levied upon only a portion of the real property
27 included in such redevelopment plan, any improvements funded by such
28 division of taxes shall be related to the redevelopment plan that
29 authorized such division of taxes.

30 (3)(a) For any redevelopment plan located in a city of the
31 metropolitan class that includes a division of taxes, as provided in this

1 section, that produces, in whole or in part, funds to be used directly or
2 indirectly for (i) new construction, rehabilitation, or acquisition of
3 housing for households with annual incomes below the area median income
4 for households and located within six hundred yards of a public passenger
5 streetcar, or (ii) new construction, rehabilitation, or acquisition of
6 single-family housing or condominium housing used as primary residences
7 for individuals with annual incomes below the area median income for
8 individuals, such housing shall be deemed related to the redevelopment
9 plan that authorized such division of taxes regardless of whether such
10 housing is or will be located on real property within such redevelopment
11 plan, as long as such housing supports activities occurring on or
12 identified in such redevelopment plan.

13 (b) During each fiscal year in which the funds described in
14 subdivision (a) of this subsection are available, the authority and city
15 shall make best efforts to allocate not less than thirty percent of such
16 funds to single family housing deemed related to the redevelopment plan
17 described under such subdivision.

18 (c) In selecting projects to receive funding, the authority and city
19 shall develop a qualified allocation plan and give first priority to
20 financially viable projects that serve the lowest income occupants for
21 the longest period of time.

22 (4)(a) ~~(3)(a)~~ For any redevelopment plan for which more than fifty
23 percent of the property in the redevelopment project area has been
24 declared an extremely blighted area in accordance with section
25 18-2101.02, ad valorem taxes shall be divided for a period not to exceed
26 twenty years after the effective date as identified in the project
27 redevelopment contract or in the resolution of the authority authorizing
28 the issuance of bonds pursuant to section 18-2124.

29 (b) For all other redevelopment plans, ad valorem taxes shall be
30 divided for a period not to exceed fifteen years after the effective date
31 as identified in the project redevelopment contract, in the resolution of

1 the authority authorizing the issuance of bonds pursuant to section
2 18-2124, or in the redevelopment plan, whichever is applicable.

3 ~~(5)~~ (4) The effective date of a provision dividing ad valorem taxes
4 as provided in subsection ~~(4)~~ (3) of this section shall not occur until
5 such time as the real property in the redevelopment project is within the
6 corporate boundaries of the city. This subsection shall not apply to a
7 redevelopment project involving a formerly used defense site as
8 authorized in section 18-2123.01.

9 ~~(6)~~ (5) Beginning August 1, 2006, all notices of the provision for
10 dividing ad valorem taxes shall be sent by the authority to the county
11 assessor on forms prescribed by the Property Tax Administrator. The
12 notice shall be sent to the county assessor on or before August 1 of the
13 year of the effective date of the provision. Failure to satisfy the
14 notice requirement of this section shall result in the taxes, for all
15 taxable years affected by the failure to give notice of the effective
16 date of the provision, remaining undivided and being paid into the funds
17 for each public body receiving property taxes generated by the property
18 in the redevelopment project. However, the redevelopment project
19 valuation for the remaining division of ad valorem taxes in accordance
20 with subdivisions (1)(a) and (b) of this section shall be the last
21 certified valuation for the taxable year prior to the effective date of
22 the provision to divide the taxes for the remaining portion of the
23 twenty-year or fifteen-year period pursuant to subsection ~~(4)~~ (3) of this
24 section.

25 Sec. 8. (1) If an area has been designated as a substandard and
26 blighted area under section 18-2109 or an extremely blighted area under
27 section 18-2101.02, the governing body of the city may review such area
28 at any time to determine whether the area is still eligible for the
29 relevant designation. As part of such review, the governing body may, but
30 need not:

31 (a) Examine any study or analysis of such area conducted pursuant to

1 section 18-2109 or 18-2101.02 to determine whether the conditions that
2 led to the relevant designation still exist; and

3 (b) Examine the conditions within the area to determine whether the
4 area still qualifies as a blighted area, a substandard area, or an
5 extremely blighted area as such terms are defined in section 18-2103.

6 (2) If a review is conducted under this section and the governing
7 body of the city finds that an area is no longer a substandard and
8 blighted area or an extremely blighted area, the governing body may
9 remove the relevant designation by passing a resolution declaring such
10 area to no longer be a substandard and blighted area or an extremely
11 blighted area. If the same area has been designated as both a substandard
12 and blighted area and an extremely blighted area, the governing body may
13 remove both designations in a single resolution.

14 (3) Removal of a substandard and blighted area designation or an
15 extremely blighted area designation pursuant to this section shall not
16 affect the validity of (a) any redevelopment plan or redevelopment
17 project involving such area that was approved prior to the removal of
18 such designation or (b) any bond, security for such bond, redevelopment
19 contract, or agreement relating to such a redevelopment plan or
20 redevelopment project.

21 Sec. 9. (1) Beginning January 1, 2026, if an area has been
22 designated as a substandard and blighted area under section 18-2109 or an
23 extremely blighted area under section 18-2101.02 for more than thirty
24 years, the governing body of the city shall not approve a new
25 redevelopment plan or redevelopment project within such area unless and
26 until the city conducts an analysis of the redevelopment projects that
27 have occurred within such area. The analysis shall, at a minimum, include
28 an assessment of the factors contributing to the lack of redevelopment in
29 those parts of the area where significant redevelopment has not occurred
30 and goals for the future redevelopment of the area. The analysis shall be
31 provided to the planning commission or board of the city and to the

1 governing body of the city. A copy of such analysis shall be made
2 available for public inspection at a location designated by the city.

3 (2) This section does not apply to the downtown area of a city of
4 the first class, city of the second class, or village. For purposes of
5 this section, downtown area means the urban core of population density
6 and concentrated commercial activity.

7 Sec. 10. Original sections 18-2101, 18-2101.02, 18-2105,
8 18-2117.01, 18-2117.02, 18-2142.05, and 18-2147, Reissue Revised Statutes
9 of Nebraska, are repealed.