

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 240**

Introduced by Jacobson, 42.

Read first time January 14, 2025

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to the Community Development Law; to amend
- 2 section 18-2147, Revised Statutes Cumulative Supplement, 2024; to
- 3 change notice provisions relating to the division of taxes; to
- 4 repeal the original section; and to declare an emergency.
- 5 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 18-2147, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

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

9           (a) That portion of the ad valorem tax which is produced by the levy  
10 at the rate fixed each year by or for each such public body upon the  
11 redevelopment project valuation shall be paid into the funds of each such  
12 public body in the same proportion as are all other taxes collected by or  
13 for the body. When there is not a redevelopment project valuation on a  
14 parcel or parcels, the county assessor shall determine the redevelopment  
15 project valuation based upon the fair market valuation of the parcel or  
16 parcels as of January 1 of the year prior to the year that the ad valorem  
17 taxes are to be divided. The county assessor shall provide written notice  
18 of the redevelopment project valuation to the authority as defined in  
19 section 18-2103 and the owner. The authority or owner may protest the  
20 valuation to the county board of equalization within thirty days after  
21 the date of the valuation notice. All provisions of section 77-1502  
22 except dates for filing of a protest, the period for hearing protests,  
23 and the date for mailing notice of the county board of equalization's  
24 decision are applicable to any protest filed pursuant to this section.  
25 The county board of equalization shall decide any protest filed pursuant  
26 to this section within thirty days after the filing of the protest. The  
27 county clerk shall mail a copy of the decision made by the county board  
28 of equalization on protests pursuant to this section to the authority or  
29 owner within seven days after the board's decision. Any decision of the  
30 county board of equalization may be appealed to the Tax Equalization and  
31 Review Commission, in accordance with section 77-5013, within thirty days

1 after the date of the decision;

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

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

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

26 (3)(a) For any redevelopment plan located in a city of the  
27 metropolitan class that includes a division of taxes, as provided in this  
28 section, that produces, in whole or in part, funds to be used directly or  
29 indirectly for (i) new construction, rehabilitation, or acquisition of  
30 housing for households with annual incomes below the area median income  
31 for households and located within six hundred yards of a public passenger

1 streetcar or (ii) new construction, rehabilitation, or acquisition of  
2 single-family housing or condominium housing used as primary residences  
3 for individuals with annual incomes below the area median income for  
4 individuals, such housing shall be deemed related to the redevelopment  
5 plan that authorized such division of taxes regardless of whether such  
6 housing is or will be located on real property within such redevelopment  
7 plan, as long as such housing supports activities occurring on or  
8 identified in such redevelopment plan.

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

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

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

25 (b) 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, in the resolution of  
28 the authority authorizing the issuance of bonds pursuant to section  
29 18-2124, or in the redevelopment plan, whichever is applicable.

30 (5) The effective date of a provision dividing ad valorem taxes as  
31 provided in subsection (4) 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 (6) ~~All 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 ~~July August~~ 1 of  
9 the 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  
19 twenty-year or fifteen-year period pursuant to subsection (4) of this  
20 section.

21 **Sec. 2.** Original section 18-2147, Revised Statutes Cumulative  
22 Supplement, 2024, is repealed.

23 **Sec. 3.** Since an emergency exists, this act takes effect when  
24 passed and approved according to law.