

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 447

Introduced by Cavanaugh, J., 9.

Read first time January 21, 2025

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Community Development Law; to amend
2 section 18-2119, Reissue Revised Statutes of Nebraska, and section
3 18-2103, Revised Statutes Cumulative Supplement, 2024; to redefine a
4 term; to provide requirements relating to wages and the use of
5 apprentices for certain redevelopment contracts; and to repeal the
6 original sections.

7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 18-2103, Revised Statutes Cumulative Supplement,
2 2024, is 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 any community development agency
10 created pursuant to section 18-2101.01 and does not include a limited
11 community redevelopment authority;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (19) Number of new employees means the number of equivalent
31 employees that are employed at a business as a result of the

1 redevelopment project during a year that are in excess of the number of
2 equivalent employees during the year immediately prior to the year that a
3 redevelopment plan is adopted;

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

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

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

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

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

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

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

30 (27) Redevelopment plan means a plan, as it exists from time to time
31 for one or more community redevelopment areas, or for a redevelopment

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

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

1 personal property or any interest in such property, or assets, cash, or
2 other funds held or used in connection with residential, recreational,
3 commercial, industrial, or other uses, including parking or other
4 facilities functionally related or subordinate to such uses, or any
5 public use specified in a redevelopment plan or project, except that such
6 disposition shall be at its fair value for uses in accordance with the
7 redevelopment plan; (e) to acquire real property in a community
8 redevelopment area which, under the redevelopment plan, is to be repaired
9 or rehabilitated for dwelling use or related facilities, repair or
10 rehabilitate the structures, and resell the property; (f) to carry out
11 plans for a program of voluntary or compulsory repair, rehabilitation, or
12 demolition of buildings in accordance with the redevelopment plan; and
13 (g) in a rural community or in an extremely blighted area within a
14 municipality that is not a rural community, to carry out construction of
15 workforce housing; and (h) to employ laborers, mechanics, and apprentices
16 to perform construction work under a redevelopment contract as described
17 in subsections (6) and (7) of section 18-2119;

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

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

25 (31) Substandard area means an area in which there is a predominance
26 of buildings or improvements, whether nonresidential or residential in
27 character, which, by reason of dilapidation, deterioration, age or
28 obsolescence, inadequate provision for ventilation, light, air,
29 sanitation, or open spaces, high density of population and overcrowding,
30 or the existence of conditions which endanger life or property by fire
31 and other causes, or any combination of such factors, is conducive to ill

1 health, transmission of disease, infant mortality, juvenile delinquency,
2 and crime, (which cannot be remedied through construction of prisons),
3 and is detrimental to the public health, safety, morals, or welfare; and

4 (32) Workforce housing means:

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

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

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

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

19 (e) Upper-story housing.

20 **Sec. 2.** Section 18-2119, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 18-2119 (1) An authority shall, by public notice by publication once
23 each week for two consecutive weeks in a legal newspaper having a general
24 circulation in the city, prior to the consideration of any redevelopment
25 contract proposal relating to real estate owned or to be owned by the
26 authority, invite proposals from, and make available all pertinent
27 information to, private redevelopers or any persons interested in
28 undertaking the redevelopment of an area, or any part thereof, which the
29 governing body has declared to be in need of redevelopment. Such notice
30 shall identify the area, and shall state that such further information as
31 is available may be obtained at the office of the authority. The

1 authority shall consider all redevelopment proposals and the financial
2 and legal ability of the prospective redevelopers to carry out their
3 proposals and may negotiate with any redevelopers for proposals for the
4 purchase or lease of any real property in the redevelopment project area.
5 The authority may accept such redevelopment contract proposal as it deems
6 to be in the public interest and in furtherance of the purposes of the
7 Community Development Law if the authority has, not less than thirty days
8 prior thereto, notified the governing body in writing of its intention to
9 accept such redevelopment contract proposal. Thereafter, the authority
10 may execute such redevelopment contract in accordance with the provisions
11 of section 18-2118 and deliver deeds, leases, and other instruments and
12 take all steps necessary to effectuate such redevelopment contract. In
13 its discretion, the authority may, without regard to the foregoing
14 provisions of this section, dispose of real property in a redevelopment
15 project area to private redevelopers for redevelopment under such
16 reasonable competitive bidding procedures as it shall prescribe, subject
17 to the provisions of section 18-2118.

18 (2) In the case of any real estate owned by a redeveloper, the
19 authority may enter into a redevelopment contract providing for such
20 undertakings as the authority shall determine appropriate. Any such
21 redevelopment contract relating to real estate within an enhanced
22 employment area shall include a statement of the redeveloper's consent
23 with respect to the designation of the area as an enhanced employment
24 area, shall be recorded with respect to the real estate owned by the
25 redeveloper, and shall be binding upon all future owners of such real
26 estate.

27 (3)(a) Prior to entering into a redevelopment contract pursuant to
28 this section for a redevelopment plan that includes the division of taxes
29 as provided in section 18-2147, the authority shall require the
30 redeveloper to certify the following to the authority:

31 (i) Whether the redeveloper has filed or intends to file an

1 application to receive tax incentives under the Nebraska Advantage Act or
2 the Imagine Nebraska Act for a project located or to be located within
3 the redevelopment project area;

4 (ii) Whether such application includes or will include, as one of
5 the tax incentives, a refund of the city's local option sales tax
6 revenue; and

7 (iii) Whether such application has been approved under the Nebraska
8 Advantage Act or the Imagine Nebraska Act.

9 (b) The authority may consider the information provided under
10 subdivision (3)(a) of this section in determining whether to enter into
11 the redevelopment contract.

12 (4) A redevelopment contract for a redevelopment plan or
13 redevelopment project that includes the division of taxes as provided in
14 section 18-2147 shall include a provision requiring that the redeveloper
15 retain copies of all supporting documents that are associated with the
16 redevelopment plan or redevelopment project and that are received or
17 generated by the redeveloper for three years following the end of the
18 last fiscal year in which ad valorem taxes are divided and provide such
19 copies to the city as needed to comply with the city's retention
20 requirements under section 18-2117.04. For purposes of this subsection,
21 supporting document includes any cost-benefit analysis conducted pursuant
22 to section 18-2113 and any invoice, receipt, claim, or contract received
23 or generated by the redeveloper that provides support for receipts or
24 payments associated with the division of taxes.

25 (5) A redevelopment contract for a redevelopment plan that includes
26 the division of taxes as provided in section 18-2147 may include a
27 provision requiring that all ad valorem taxes levied upon real property
28 in a redevelopment project be paid before the taxes become delinquent in
29 order for such redevelopment project to receive funds from such division
30 of taxes.

31 (6) A redevelopment contract for a redevelopment plan or

1 redevelopment project that includes the division of taxes as provided in
2 section 18-2147 and that involves real property located within a county
3 with a population of sixty thousand inhabitants or more shall include a
4 provision requiring that any laborers and mechanics employed by the
5 redeveloper or by any contractor or subcontractor to perform the
6 construction work for the redevelopment project shall be paid wages at
7 rates not less than the prevailing rates for construction of a similar
8 character in the locality in which the redevelopment project is located,
9 as determined by the United States Secretary of Labor in accordance with
10 Subchapter IV of Chapter 31 of Title 40, United States Code.

11 (7)(a) A redevelopment contract for a redevelopment plan or
12 redevelopment project that includes the division of taxes as provided in
13 section 18-2147 and that involves real property located within a county
14 with a population of sixty thousand inhabitants or more shall include the
15 following provisions:

16 (i) A requirement that not less than fifteen percent of the total
17 labor hours of the construction work for the redevelopment project,
18 including such work performed by any contractor or subcontractor, shall
19 be performed by qualified apprentices, subject to any applicable
20 requirements for apprenticeship-to-journeyworker ratios of the United
21 States Department of Labor or the Nebraska Department of Labor; and

22 (ii) A requirement that each redeveloper, contractor, or
23 subcontractor that employs four or more individuals to perform
24 construction work with respect to the redevelopment project shall employ
25 one or more qualified apprentices to perform such work.

26 (b) The redevelopment contract shall provide an exception to the
27 requirements described in subdivision (7)(a) of this section in the event
28 that qualified apprentices have been requested from a registered
29 apprenticeship program via certified mail and:

30 (i) Such request has been denied via certified mail, provided that
31 such denial is not the result of a refusal by the redeveloper or any

1 contractors or subcontractors engaged in the performance of construction
2 work with respect to the redevelopment project to comply with the
3 established standards and requirements of the registered apprenticeship
4 program; or

5 (ii) The registered apprenticeship program fails to respond to such
6 request within fifteen business days after the date on which such
7 registered apprenticeship program received such request.

8 (c) For purposes of this subsection:

9 (i) Labor hours means the total number of hours devoted to the
10 performance of construction work by any individual employed by the
11 redeveloper or by any contractor or subcontractor and excludes any hours
12 worked by:

13 (A) Foremen;

14 (B) Superintendents;

15 (C) Owners; or

16 (D) Persons employed in a bona fide executive, administrative, or
17 professional capacity, within the meaning of those terms in 29 C.F.R.
18 part 541;

19 (ii) Qualified apprentice means an individual who (A) is represented
20 by an organization described in section 501(c)(5) of the Internal Revenue
21 Code of 1986 and (B) is employed by a redeveloper or any contractor or
22 subcontractor participating in a registered apprenticeship program whose
23 training facility is in this state; and

24 (iii) Registered apprenticeship program has the same meaning as in
25 26 U.S.C. 3131(e)(3)(B).

26 (8) ~~(6)~~ A redevelopment contract for a redevelopment plan or
27 redevelopment project that includes the division of taxes as provided in
28 section 18-2147 may include any additional requirements deemed necessary
29 by the city to ensure that such plan or project complies with the city's
30 comprehensive development plan, the city's affordable housing action plan
31 required under section 19-5505, city zoning regulations, and any other

1 reasonable planning requirements or goals established by the city.

2 **Sec. 3.** Original section 18-2119, Reissue Revised Statutes of
3 Nebraska, and section 18-2103, Revised Statutes Cumulative Supplement,
4 2024, are repealed.