

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1095**

Introduced by Davis, 43.

Read first time January 22, 2014

Committee:

A BILL

1 FOR AN ACT relating to economic development; to amend sections  
2 18-2102.01, 18-2113, 18-2116, 18-2117.01, and 81-1201.20,  
3 Reissue Revised Statutes of Nebraska, section 81-1201.07,  
4 Revised Statutes Cumulative Supplement, 2012, and  
5 sections 18-2103, 81-1201.01, and 81-1201.03, Revised  
6 Statutes Supplement, 2013; to change the Community  
7 Development Law; to create the Tax-increment Financing  
8 Division of the Department of Economic Development and  
9 provide duties; to harmonize provisions; and to repeal  
10 the original sections.

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

1                   Section 1. Section 18-2102.01, Reissue Revised Statutes  
2 of Nebraska, is amended to read:

3                   18-2102.01 Cities of all classes and villages of this  
4 state are hereby granted power and authority to create community  
5 redevelopment authorities and limited community redevelopment  
6 authorities.

7                   (1) Whenever an authority or limited authority is created  
8 it shall bear the name of the city creating it and shall be legally  
9 known as the Community Redevelopment Authority of the City (or  
10 Village) of ..... (name of city or village) or the Limited  
11 Community Redevelopment Authority of the City (or Village)  
12 of ..... (name of city or village).

13                   (2) When it is determined by the governing body of any  
14 city by ordinance in the exercise of its discretion that it is  
15 expedient to create a community redevelopment authority or limited  
16 community redevelopment authority, the mayor of the city or, if the  
17 mayor shall fail to act within ninety days after the passage of the  
18 ordinance, the president or other presiding officer other than the  
19 mayor of the governing body, with the approval of the governing body  
20 of the city, shall appoint five or seven persons who shall constitute  
21 the authority or the limited authority. The members of the authority  
22 shall consist of local stakeholders with clear accountability,  
23 leadership, and authority relative to tax-increment financing and may  
24 include city staff, members of the governing body, representatives of  
25 other taxing bodies that levy property taxes, experts in the area of

1 economic development, and members of the public. The terms of office  
2 of the members of a five-member authority initially appointed shall  
3 be for one year, two years, three years, four years, and five years,  
4 as designated by the mayor, president, other presiding officer, or  
5 city manager in making the respective appointments. The terms of  
6 office of the members of a seven-member authority initially appointed  
7 shall be one member each for one year, two years, and five years, and  
8 two members each for three years and four years, as designated by the  
9 mayor, president, other presiding officer, or city manager in making  
10 the respective appointments. As the terms of the members of the  
11 authority expire in cities not having the city manager form of  
12 government, the mayor, with the approval of the governing body of the  
13 city, shall appoint or reappoint a member of the authority for a term  
14 of five years to succeed the member whose term expires. In cities  
15 having the city manager form of government, the city manager shall  
16 appoint or reappoint the members with the approval of the governing  
17 body. The terms of office of the members of a limited community  
18 redevelopment authority shall be for the duration of only one single  
19 specific limited pilot project authorized in the ordinance creating  
20 the limited community redevelopment authority, and the terms of the  
21 members of a limited community redevelopment authority shall expire  
22 upon the completion of the single specific limited pilot project  
23 authorized in the ordinance creating the limited community  
24 redevelopment authority.

25           A governing body may at its option submit an ordinance

1 which creates a community redevelopment authority or a limited  
 2 community redevelopment authority to the electors of the city for  
 3 approval by a majority vote of the electors voting on the ordinance.  
 4 On submitting the ordinance for approval, the governing body is  
 5 authorized to call, by the ordinance, a special or general election  
 6 and to submit, after thirty days' notice of the time and place of  
 7 holding the election and according to the manner and method otherwise  
 8 provided by law for the calling, conducting, canvassing, and  
 9 certifying of the result of city elections on the submission of  
 10 propositions to the electors, the proposition to be stated on the  
 11 ballot as follows:

12                Shall the City (or Village) of ..... (name of  
 13 city or village) create a Community Redevelopment Authority of the  
 14 City (or Village) of ..... (name of city or village)?

15                ... Yes

16                ... No.

17                When the ordinance submitted to the electors for approval  
 18 by a majority vote of the electors voting on the ordinance is to  
 19 create a limited community redevelopment authority the proposition  
 20 shall be stated on the ballot as follows:

21                Shall the City (or Village) of ..... (name of  
 22 city or village) create a Limited Community Redevelopment Authority  
 23 of the City (or Village) of ..... (name of city or village)?

24                ... Yes

25                ... No.

1           Vacancies shall be filled for any unexpired term in the  
2 same manner as the original appointment. Members of the authority so  
3 appointed shall hold office until their successors have been  
4 appointed and qualified. Members of a limited authority shall hold  
5 office as provided in this section. All members of the authority  
6 shall serve without compensation, but shall be entitled to be  
7 reimbursed for all necessary expenses incurred.

8           (3) Any authority established under this section shall  
9 organize by electing one of its members chairperson and another vice-  
10 chairperson, shall have power to employ counsel, a director who shall  
11 be ex officio secretary of the authority, and such other officers and  
12 employees as may be desired, and shall fix the term of office,  
13 qualifications, and compensation of each. The holder of the office of  
14 community redevelopment administrator or coordinator of the city may,  
15 but need not, be appointed the director but at no additional  
16 compensation by the authority. Community redevelopment authorities of  
17 cities of the first and second class and villages may secure the  
18 services of a director, community redevelopment administrator, or  
19 coordinator, and other officers and employees as may be desired  
20 through contract with the Department of Economic Development upon  
21 terms which are mutually agreeable. Any authority established under  
22 this section may validly and effectively act on all matters requiring  
23 a resolution or other official action by the concurrence of three  
24 members of a five-member authority or four members of a seven-member  
25 authority present and voting at a meeting of the authority. Orders,

1 requisitions, warrants, and other documents may be executed by the  
2 chairperson or vice-chairperson or by or with others designated in  
3 its bylaws.

4 (4) No member or employee of any authority established  
5 under this section shall have any interest directly or indirectly in  
6 any contract for property, materials, or services to be required by  
7 such authority.

8 (5)(a) The authority shall keep an accurate account of  
9 all its activities and of all receipts and disbursements and make an  
10 annual report of such activities, receipts, and disbursements to the  
11 governing body of the city.

12 (b) The authority shall establish and publish on the web  
13 site of the city creating such authority measurable metrics for each  
14 redevelopment project that uses tax-increment financing under section  
15 18-2147, which metrics shall reflect the priorities of the general  
16 plan for the development of the city.

17 (c) The authority shall establish and publish on the web  
18 site of the city creating such authority performance thresholds based  
19 off of the metrics described in subdivision (5)(b) of this section to  
20 determine the success of any redevelopment project that uses tax-  
21 increment financing under section 18-2147.

22 (6) The governing body of a city creating a community  
23 redevelopment authority or a limited community redevelopment  
24 authority is hereby authorized to appropriate and loan to the  
25 authority a sum not exceeding ten thousand dollars for the purposes

1 of paying expenses of organizing and supervising the work of the  
2 authority at the beginning of its activities. The loan shall be  
3 authorized by resolution of the governing body which shall set forth  
4 the terms and time of the repayment of the loan. The loan may be  
5 appropriated out of the general funds or any sinking fund.

6 (7) All income, revenue, profits, and other funds  
7 received by any authority established under this section from  
8 whatever source derived, or appropriated by the city, or realized  
9 from tax receipts or comprised in the special revenue fund of the  
10 city designated for the authority or from the proceeds of bonds, or  
11 otherwise, shall be deposited with the city treasurer as ex officio  
12 treasurer of the authority without commingling the money with any  
13 other money under his or her control and disbursed by him or her by  
14 check, draft, or order only upon warrants, orders, or requisitions by  
15 the chairperson of the authority or other person authorized by the  
16 authority which shall state distinctly the purpose for which the same  
17 are drawn. A permanent record shall be kept by the authority of all  
18 warrants, orders, or requisitions so drawn, showing the date, amount,  
19 consideration, and to whom payable. When paid, the same shall be  
20 canceled and kept on file by the city treasurer. The books of any  
21 authority established under this section shall from time to time be  
22 audited upon the order of the governing body of the municipality in  
23 such manner as it may direct, and all books and records of the  
24 authority shall at all times be open to public inspection. The  
25 authority may contract with the holders of any of its bonds or notes

1 as to collection, custody, securing investment, and payment of any  
2 money of the authority or any money held in trust or otherwise for  
3 the payment of bonds or notes or in any way to secure bonds or notes.  
4 The authority may carry out the contract notwithstanding that such  
5 contract may be inconsistent with the previous provisions of this  
6 subdivision. All banks, capital stock financial institutions,  
7 qualifying mutual financial institutions, and trust companies are  
8 hereby authorized to give security for the deposits of money of any  
9 authority established under the provisions of this section pursuant  
10 to the Public Funds Deposit Security Act. Section 77-2366 applies to  
11 deposits in capital stock financial institutions. Section 77-2365.01  
12 shall apply to deposits in qualifying mutual financial institutions.

13           Sec. 2. Section 18-2103, Revised Statutes Supplement,  
14 2013, is amended to read:

15           18-2103 For purposes of the Community Development Law,  
16 unless the context otherwise requires:

17           (1) An authority means any community redevelopment  
18 authority created pursuant to section 18-2102.01 and a city or  
19 village which has created a community development agency pursuant to  
20 the provisions of section 18-2101.01 and does not include a limited  
21 community redevelopment authority;

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



1                   (3) City means any city or incorporated village in the  
2 state;

3                   (4) Public body means the state or any municipality,  
4 county, township, board, commission, authority, district, or other  
5 political subdivision or public body of the state;

6                   (5) Governing body or local governing body means the city  
7 council, board of trustees, or other legislative body charged with  
8 governing the municipality;

9                   (6) Mayor means the mayor of the city or chairperson of  
10 the board of trustees of the village;

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

12                   (8) Federal government means the United States of  
13 America, or any agency or instrumentality, corporate or otherwise, of  
14 the United States of America;

15                   (9) Area of operation means and includes the area within  
16 the corporate limits of the city and such land outside the city as  
17 may come within the purview of sections 18-2123 and 18-2123.01;

18                   (10) Substandard areas means an area in which there is a  
19 predominance of buildings or improvements, whether nonresidential or  
20 residential in character, which, by reason of dilapidation,  
21 deterioration, age or obsolescence, inadequate provision for  
22 ventilation, light, air, sanitation, or open spaces, high density of  
23 population and overcrowding, or the existence of conditions which  
24 endanger life or property by fire and other causes, or any  
25 combination of such factors, is conducive to ill health, transmission

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

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

1 capita income of the city or village in which the area is designated;  
2 or (v) the area has had either stable or decreasing population based  
3 on the last two decennial censuses. In no event shall a city of the  
4 metropolitan, primary, or first class designate more than thirty-five  
5 percent of the city as blighted, a city of the second class shall not  
6 designate an area larger than fifty percent of the city as blighted,  
7 and a village shall not designate an area larger than one hundred  
8 percent of the village as blighted;

9 (12) Redevelopment project means any work or undertaking  
10 in one or more community redevelopment areas: (a) To acquire  
11 substandard and blighted areas or portions thereof, including lands,  
12 structures, or improvements the acquisition of which is necessary or  
13 incidental to the proper clearance, development, or redevelopment of  
14 such substandard and blighted areas; (b) to clear any such areas by  
15 demolition or removal of existing buildings, structures, streets,  
16 utilities, or other improvements thereon and to install, construct,  
17 or reconstruct streets, utilities, parks, playgrounds, public spaces,  
18 public parking facilities, sidewalks or moving sidewalks, convention  
19 and civic centers, bus stop shelters, lighting, benches or other  
20 similar furniture, trash receptacles, shelters, skywalks and  
21 pedestrian and vehicular overpasses and underpasses, and any other  
22 necessary public improvements essential to the preparation of sites  
23 for uses in accordance with a redevelopment plan; (c) to sell, lease,  
24 or otherwise make available land in such areas for residential,  
25 recreational, commercial, industrial, or other uses, including

1 parking or other facilities functionally related or subordinate to  
2 such uses, or for public use or to retain such land for public use,  
3 in accordance with a redevelopment plan; and may also include the  
4 preparation of the redevelopment plan, the planning, survey, and  
5 other work incident to a redevelopment project and the preparation of  
6 all plans and arrangements for carrying out a redevelopment project;  
7 (d) to dispose of all real and personal property or any interest in  
8 such property, or assets, cash, or other funds held or used in  
9 connection with residential, recreational, commercial, industrial, or  
10 other uses, including parking or other facilities functionally  
11 related or subordinate to such uses, or any public use specified in a  
12 redevelopment plan or project, except that such disposition shall be  
13 at its fair value for uses in accordance with the redevelopment plan;  
14 (e) to acquire real property in a community redevelopment area which,  
15 under the redevelopment plan, is to be repaired or rehabilitated for  
16 dwelling use or related facilities, repair or rehabilitate the  
17 structures, and resell the property; and (f) to carry out plans for a  
18 program of voluntary or compulsory repair, rehabilitation, or  
19 demolition of buildings or other improvements in accordance with the  
20 redevelopment plan;

21 (13) Redevelopment plan means a plan, as it exists from  
22 time to time for one or more community redevelopment areas, or for a  
23 redevelopment project, which (a) conforms to the general plan for the  
24 municipality as a whole and (b) is sufficiently complete to indicate  
25 such land acquisition, demolition and removal of structures,

1 redevelopment, improvements, and rehabilitation as may be proposed to  
2 be carried out in the community redevelopment area, zoning and  
3 planning changes, if any, land uses, maximum densities, and building  
4 requirements;

5 (14) Redeveloper means any person, partnership, or public  
6 or private corporation or agency which enters or proposes to enter  
7 into a redevelopment contract;

8 (15) Redevelopment contract means a contract entered into  
9 between an authority and a redeveloper for the redevelopment of an  
10 area in conformity with a redevelopment plan;

11 (16) Real property means all lands, including  
12 improvements and fixtures thereon, and property of any nature  
13 appurtenant thereto, or used in connection therewith, and every  
14 estate, interest and right, legal or equitable, therein, including  
15 terms for years and liens by way of judgment, mortgage, or otherwise,  
16 and the indebtedness secured by such liens;

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

21 (18) Obligee means any bondholder, agent, or trustee for  
22 any bondholder, or lessor demising to any authority, established  
23 pursuant to section 18-2102.01, property used in connection with a  
24 redevelopment project, or any assignee or assignees of such lessor's  
25 interest or any part thereof, and the federal government when it is a

1 party to any contract with such authority;

2 (19) Person means any individual, firm, partnership,  
3 limited liability company, corporation, company, association, joint-  
4 stock association, or body politic and includes any trustee,  
5 receiver, assignee, or other similar representative thereof;

6 (20) Community redevelopment area means a substandard and  
7 blighted area which the community redevelopment authority designates  
8 as appropriate for a renewal project;

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

13 (22) Enhanced employment area means an area not exceeding  
14 six hundred acres (a) within a community redevelopment area which is  
15 designated by an authority as eligible for the imposition of an  
16 occupation tax or (b) not within a community redevelopment area as  
17 may be designated under section 18-2142.04;

18 (23) Employee means a person employed at a business as a  
19 result of a redevelopment project;

20 (24) Employer-provided health benefit means any item paid  
21 for by the employer in total or in part that aids in the cost of  
22 health care services, including, but not limited to, health  
23 insurance, health savings accounts, and employer reimbursement of  
24 health care costs;

25 (25) Equivalent employees means the number of employees

1 computed by (a) dividing the total hours to be paid in a year by (b)  
2 the product of forty times the number of weeks in a year;

3 (26) Business means any private business located in an  
4 enhanced employment area;

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

8 (28) Number of new employees means the number of  
9 equivalent employees that are employed at a business as a result of  
10 the redevelopment project during a year that are in excess of the  
11 number of equivalent employees during the year immediately prior to  
12 the year that a redevelopment plan is adopted; ~~and~~

13 (29) Occupation tax means a tax imposed under section  
14 18-2142.02; and -

15 (30) Tax-increment Financing Division means the Tax-  
16 increment Financing Division of the Department of Economic  
17 Development.

18 Sec. 3. Section 18-2113, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 18-2113 (1) Prior to recommending a redevelopment plan to  
21 the governing body for approval, an authority shall consider whether  
22 the proposed land uses and building requirements in the redevelopment  
23 project area are designed with the general purpose of accomplishing,  
24 in conformance with the general plan, a coordinated, adjusted, and  
25 harmonious development of the city and its environs which will, in

1 accordance with present and future needs, promote health, safety,  
2 morals, order, convenience, prosperity, and the general welfare, as  
3 well as efficiency and economy in the process of development,  
4 including, among other things, adequate provision for traffic,  
5 vehicular parking, the promotion of safety from fire, panic, and  
6 other dangers, adequate provision for light and air, the promotion of  
7 the healthful and convenient distribution of population, the  
8 provision of adequate transportation, water, sewerage, and other  
9 public utilities, schools, parks, recreational and community  
10 facilities, and other public requirements, the promotion of sound  
11 design and arrangement, the wise and efficient expenditure of public  
12 funds, and the prevention of the recurrence of insanitary or unsafe  
13 dwelling accommodations or conditions of blight.

14 (2) The authority shall conduct a cost-benefit analysis  
15 for each redevelopment project whose redevelopment plan includes the  
16 use of funds authorized by section 18-2147. In conducting the cost-  
17 benefit analysis, the authority shall ~~use a cost-benefit model~~  
18 ~~developed for use by local projects. Any cost-benefit model used by~~  
19 ~~the authority shall consider and analyze the following factors:~~  
20 follow the procedures established by the Tax-increment Financing  
21 Division pursuant to section 9 of this act.

22 (a) ~~Tax shifts resulting from the approval of the use of~~  
23 ~~funds pursuant to section 18-2147;~~

24 (b) ~~Public infrastructure and community public service~~  
25 ~~needs impacts and local tax impacts arising from the approval of the~~



1 ~~redevelopment project;~~

2 ~~(c) Impacts on employers and employees of firms locating~~  
3 ~~or expanding within the boundaries of the area of the redevelopment~~  
4 ~~project;~~

5 ~~(d) Impacts on other employers and employees within the~~  
6 ~~city or village and the immediate area that are located outside of~~  
7 ~~the boundaries of the area of the redevelopment project; and~~

8 ~~(e) Any other impacts determined by the authority to be~~  
9 ~~relevant to the consideration of costs and benefits arising from the~~  
10 ~~redevelopment project.~~

11 Sec. 4. Section 18-2116, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 18-2116 (1) Following such hearing, the governing body  
14 may approve a redevelopment plan if (a) it finds that the plan is  
15 feasible and in conformity with the general plan for the development  
16 of the city as a whole and the plan is in conformity with the  
17 legislative declarations and determinations set forth in the  
18 Community Development Law and (b) it finds that, if the plan uses  
19 funds authorized in section 18-2147, (i) the redevelopment project in  
20 the plan would not be economically feasible without the use of tax-  
21 increment financing, (ii) the redevelopment project would not occur  
22 in the community redevelopment area without the use of tax-increment  
23 financing, and (iii) the costs and benefits of the redevelopment  
24 project, including costs and benefits to other affected political  
25 subdivisions, the economy of the community, and the demand for public

1 and private services have been analyzed by the governing body and  
2 have been found to be in the long-term best interest of the community  
3 impacted by the redevelopment project. The governing body shall  
4 follow the procedures established by the Tax-increment Financing  
5 Division pursuant to section 9 of this act in making its findings  
6 under subdivision (1)(b) of this section.

7 (2) In connection with the approval of any redevelopment  
8 plan which includes the designation of an enhanced employment area,  
9 the governing body may approve the redevelopment plan if it  
10 determines that any new investment within such enhanced employment  
11 area will result in at least (a) two new employees and new investment  
12 of one hundred twenty-five thousand dollars in counties with fewer  
13 than fifteen thousand inhabitants, (b) five new employees and new  
14 investment of two hundred fifty thousand dollars in counties with at  
15 least fifteen thousand inhabitants but fewer than twenty-five  
16 thousand inhabitants, (c) ten new employees and new investment of  
17 five hundred thousand dollars in counties with at least twenty-five  
18 thousand inhabitants but fewer than fifty thousand inhabitants, (d)  
19 fifteen new employees and new investment of one million dollars in  
20 counties with at least fifty thousand inhabitants but fewer than one  
21 hundred thousand inhabitants, (e) twenty new employees and new  
22 investment of one million five hundred thousand dollars in counties  
23 with at least one hundred thousand inhabitants but fewer than two  
24 hundred thousand inhabitants, (f) twenty-five new employees and new  
25 investment of two million dollars in counties with at least two

1 hundred thousand inhabitants but fewer than four hundred thousand  
2 inhabitants, or (g) thirty new employees and new investment of three  
3 million dollars in counties with at least four hundred thousand  
4 inhabitants. Any business that has one hundred thirty-five thousand  
5 square feet or more and annual gross sales of ten million dollars or  
6 more shall provide an employer-provided health benefit of at least  
7 three thousand dollars annually to all new employees who are working  
8 thirty hours per week or more on average and have been employed at  
9 least six months. In making such determination, the governing body  
10 may rely upon written undertakings provided by any redeveloper in  
11 connection with application for approval of the redevelopment plan.

12           Sec. 5. Section 18-2117.01, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           18-2117.01 (1) On or before December 1 each year, each  
15 city which has approved one or more redevelopment plans which are  
16 financed in whole or in part through the use of tax-increment  
17 financing as provided in section 18-2147 shall provide a report to  
18 the Property Tax Administrator on each such redevelopment plan which  
19 includes the following information:

20           (a) A copy of the redevelopment plan and any amendments  
21 thereto if they have not been previously filed, including the date  
22 upon which the redevelopment plan was approved, the effective date  
23 for dividing the ad valorem tax as provided to the county assessor  
24 pursuant to subsection (3) of section 18-2147, and the location and  
25 boundaries of the property in the redevelopment project; and

1           (b) A short narrative description of the type of  
2 development undertaken by the city or village with the financing and  
3 the type of business or commercial activity locating within the  
4 redevelopment project area as a result of the redevelopment project.

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

18           (3) On or before December 1 each year, each city which  
19 has approved one or more redevelopment plans which are financed in  
20 whole or in part through the use of tax-increment financing as  
21 provided in section 18-2147 shall:

22           (a) Provide a report to the Tax-increment Financing  
23 Division on each such redevelopment plan which includes the following  
24 information:

25           (i) The economic impact of the redevelopment plan and how

1 such impacts compare to the accountability standards developed  
2 pursuant to subdivision (1)(d) of section 9 of this act;

3 (ii) Strategies and priorities for the following year for  
4 the use of tax-increment financing; and

5 (iii) A summary of how the use of tax-increment financing  
6 is contributing to the local community; and

7 (b) Publish a list on such city's web site of the  
8 recipients of tax-increment financing who are not in compliance with  
9 their commitments.

10 Sec. 6. Section 81-1201.01, Revised Statutes Supplement,  
11 2013, is amended to read:

12 81-1201.01 As used in sections 81-1201.01 to 81-1201.22  
13 and section 9 of this act, unless the context otherwise requires:

14 (1) Community Development Block Grant means the grants  
15 distributed pursuant to the Housing and Community Development Act of  
16 1974 as amended by the Housing and Urban-Rural Recovery Act of 1983;

17 (2) Department means the Department of Economic  
18 Development;

19 (3) Director means the Director of Economic Development;

20 (4) Economic articulation means the creation of economic  
21 activities which will provide inputs to and markets for other  
22 businesses in the state;

23 (5) Educational institutions means nonprofit public and  
24 private colleges, community colleges, state colleges, and  
25 universities in the state; and

1                   (6) Value-adding industry means an economic enterprise  
2 that adds value through processing, fabrication, or other means to  
3 goods or services.

4                   Sec. 7. Section 81-1201.03, Revised Statutes Supplement,  
5 2013, is amended to read:

6                   81-1201.03 The chief executive officer of the department  
7 shall be the Director of Economic Development who shall be appointed  
8 by the Governor with the consent of a majority of the Legislature.  
9 The director shall administer the affairs of the department and shall  
10 serve at the pleasure of the Governor. The director shall have equal  
11 rank with the heads of other state departments, and his or her salary  
12 shall be fixed by the Governor. The director shall employ a deputy  
13 director with significant and extensive professional experience in  
14 the field of economic development. The director shall employ division  
15 directors and such other assistants, professional staff, and other  
16 employees as he or she deems necessary to effectively carry out  
17 sections 81-1201.01 to 81-1201.20 and section 9 of this act within  
18 the appropriations the Legislature provides.

19                   Sec. 8. Section 81-1201.07, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21                   81-1201.07 The department may have the divisions and  
22 program listed in this section to aid in the discharge of its duties  
23 but shall not be limited to such divisions and program: (1) An  
24 Existing Business Assistance Division; (2) a Business Recruitment  
25 Division; (3) a Community and Rural Development Division; (4) a Tax-

1 increment Financing Division; and (4)—(5) a Community Development  
2 Block Grant Program. Each division and program, when deemed  
3 appropriate by the director, is encouraged to establish advisory  
4 committees and programs to insure public participation and input.

5           Sec. 9. (1) The primary responsibility of the Tax-  
6 increment Financing Division shall be to provide state-level  
7 oversight of tax-increment financing projects that are approved under  
8 the Community Development Law. The division shall establish statewide  
9 procedures that must be followed for any redevelopment project under  
10 the Community Development Law whose redevelopment plan includes the  
11 use of funds authorized by section 18-2147. Such procedures shall  
12 include:

13           (a) Standard categories of justification that must be  
14 used by an authority in determining whether a redevelopment project  
15 is eligible for tax-increment financing assistance;

16           (b) The economic factors that must be considered by an  
17 authority in conducting the cost-benefit analysis required by section  
18 18-2113, including, but not limited to:

19           (i) Tax shifts resulting from the approval of the use of  
20 funds pursuant to section 18-2147;

21           (ii) Public infrastructure and community public service  
22 needs impacts and local tax impacts arising from the approval of the  
23 redevelopment project;

24           (iii) Impacts on employers and employees of firms  
25 locating or expanding within the boundaries of the area of the

1 redevelopment project;

2 (iv) Impacts on other employers and employees within the  
3 city or village and the immediate area that are located outside of  
4 the boundaries of the area of the redevelopment project; and

5 (v) Any other impacts determined by the division to be  
6 relevant to the consideration of costs and benefits arising from a  
7 redevelopment project;

8 (c) The analysis that must be conducted by a governing  
9 body in order to make the findings required in subdivision (1)(b) of  
10 section 18-2116;

11 (d) Accountability standards that an authority must  
12 include as part of any redevelopment project whose redevelopment plan  
13 includes the use of funds authorized by section 18-2147; and

14 (e) Penalties that the Tax-increment Financing Division  
15 shall impose when the accountability standards provided in  
16 subdivision (1)(d) of this section are not met, to be enforced by the  
17 authorities.

18 (2) The Tax-increment Financing Division shall create a  
19 well-defined and transparent tax-increment financing guide that is  
20 made available to the public, which will cover at a minimum the  
21 following:

22 (a) The tax-increment financing certification process;

23 (b) The financial metrics that must be used in evaluating  
24 tax-increment financing proposals;

25 (c) The definition of the "but for" test and how it must



1 be used in determining program eligibility;

2 (d) The oversight process and the enforcement of  
3 accountability; and

4 (e) Timing of the tax-increment financing certification  
5 process.

6 (3) The Tax-increment Financing Division shall establish  
7 a fee structure for tax-increment financing projects in an amount  
8 sufficient to cover the costs of the division.

9 (4) For purposes of this section, the definitions in  
10 section 18-2103 apply.

11 Sec. 10. Section 81-1201.20, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 81-1201.20 The department shall adopt and promulgate  
14 rules and regulations to carry out sections 81-1201.01 to 81-1201.20  
15 and section 9 of this act.

16 Sec. 11. Original sections 18-2102.01, 18-2113, 18-2116,  
17 18-2117.01, and 81-1201.20, Reissue Revised Statutes of Nebraska,  
18 section 81-1201.07, Revised Statutes Cumulative Supplement, 2012, and  
19 sections 18-2103, 81-1201.01, and 81-1201.03, Revised Statutes  
20 Supplement, 2013, are repealed.