

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 648**

Introduced by Wayne, 13.

Read first time January 23, 2019

Committee:

- 1 A BILL FOR AN ACT relating to the Community Development Law; to amend  
2 section 77-1704.01, Reissue Revised Statutes of Nebraska, and  
3 sections 18-2101, 18-2115.01, 18-2117.01, 18-2117.04, and 18-2147,  
4 Revised Statutes Cumulative Supplement, 2018; to provide  
5 requirements for certain redevelopment plans; to change provisions  
6 relating to notices, record retention, and tax-increment financing;  
7 to harmonize provisions; and to repeal the original sections.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2101, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 18-2101 Sections 18-2101 to 18-2154 and section 2 of this act shall  
4 be known and may be cited as the Community Development Law.

5 Sec. 2. (1) In addition to the requirements of section 18-2109, an  
6 authority shall not prepare a redevelopment plan that will divide ad  
7 valorem taxes pursuant to section 18-2147 for a period of more than  
8 fifteen years unless the governing body of the city in which the  
9 redevelopment project area is located has, by resolution adopted after  
10 the public hearings required under this section, declared more than fifty  
11 percent of the property in such redevelopment project area to be an  
12 extremely blighted area in need of redevelopment.

13 (2) Prior to making such declaration, the governing body of the city  
14 shall conduct or cause to be conducted a study or an analysis on whether  
15 the area is extremely blighted and shall submit the question of whether  
16 such area is extremely blighted to the planning commission or board of  
17 the city for its review and recommendation. The planning commission or  
18 board shall hold a public hearing on the question after giving notice of  
19 the hearing as provided in section 18-2115.01. Such notice shall include  
20 a map of sufficient size to show the area to be declared extremely  
21 blighted or information on where to find such map and shall provide  
22 information on where to find copies of the study or analysis conducted  
23 pursuant to this subsection. The planning commission or board shall  
24 submit its written recommendations to the governing body of the city  
25 within thirty days after the public hearing.

26 (3) Upon receipt of the recommendations of the planning commission  
27 or board, or if no recommendations are received within thirty days after  
28 the public hearing required under subsection (2) of this section, the  
29 governing body shall hold a public hearing on the question of whether the  
30 area is extremely blighted after giving notice of the hearing as provided  
31 in section 18-2115.01. Such notice shall include a map of sufficient size

1 to show the area to be declared extremely blighted or information on  
2 where to find such map and shall provide information on where to find  
3 copies of the study or analysis conducted pursuant to subsection (2) of  
4 this section. At the public hearing, all interested parties shall be  
5 afforded a reasonable opportunity to express their views respecting the  
6 proposed declaration. After such hearing, the governing body of the city  
7 may make its declaration.

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

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

17 Sec. 3. Section 18-2115.01, Revised Statutes Cumulative Supplement,  
18 2018, is amended to read:

19 18-2115.01 (1) Public notice of any hearing required under section  
20 18-2109 or 18-2115 or section 2 of this act shall be given by publication  
21 at least once a week for two consecutive weeks in a legal newspaper in or  
22 of general circulation in the community. The time of the hearing shall be  
23 at least ten days from the last publication.

24 (2)(a) Notice of any hearing required under section 18-2109 or  
25 18-2115 or section 2 of this act shall be given to neighborhood  
26 associations that have registered under subsection (5) of this section as  
27 follows:

28 (i) For a hearing under section 18-2109, notice shall be given to  
29 each registered neighborhood association whose area of representation is  
30 located in whole or in part within a one-mile radius of the area to be  
31 declared substandard and blighted;~~and~~

1        (ii) For a hearing under section 2 of this act, notice shall be  
2 given to each registered neighborhood association whose area of  
3 representation is located in whole or in part within a one-mile radius of  
4 the area to be declared extremely blighted; and

5        (iii) (ii) For a hearing under section 18-2115, notice shall be  
6 given to each registered neighborhood association whose area of  
7 representation is located in whole or in part within a one-mile radius of  
8 the area to be redeveloped.

9        (b) Notice under this subsection shall be given at least ten days  
10 prior to the hearing in the manner requested by the neighborhood  
11 association. The notice shall be deemed given on the date it is sent.

12        (3)(a) Notice of any hearing required under section 18-2109 or  
13 18-2115 or section 2 of this act shall be given to political subdivisions  
14 as follows:

15        (i) For a hearing under section 18-2109, notice shall be given to  
16 the president or chairperson of the governing body of each county, school  
17 district, community college area, educational service unit, and natural  
18 resources district in which the real property to be declared substandard  
19 and blighted is located; ~~and~~

20        (ii) For a hearing under section 2 of this act, notice shall be  
21 given to the president or chairperson of the governing body of each  
22 county, school district, community college area, educational service  
23 unit, and natural resources district in which the real property to be  
24 declared extremely blighted is located; and

25        (iii) (ii) For a hearing under section 18-2115, notice shall be  
26 given to the president or chairperson of the governing body of each  
27 county, school district, community college area, educational service  
28 unit, and natural resources district in which the real property subject  
29 to the redevelopment plan or substantial modification thereof is located.

30        (b) Notice under this subsection shall be given at least ten days  
31 prior to the hearing by certified mail, return receipt requested. The

1 notice shall be deemed given on the date it is mailed by certified mail.

2 (4) All notices given under this section shall describe the time,  
3 date, place, and purpose of the hearing.

4 (5) Each neighborhood association desiring to receive notice of any  
5 hearing required under section 18-2109 or 18-2115 or section 2 of this  
6 act shall register with the city's planning department or, if there is no  
7 planning department, with the city clerk. The registration shall include  
8 a description of the area of representation of the association, the name  
9 of and contact information for the individual designated by the  
10 association to receive the notice on its behalf, and the requested manner  
11 of service, whether by email, first-class mail, or certified mail.  
12 Registration of the neighborhood association for purposes of this section  
13 shall be accomplished in accordance with such other rules and regulations  
14 as may be adopted and promulgated by the city.

15 Sec. 4. Section 18-2117.01, Revised Statutes Cumulative Supplement,  
16 2018, is amended to read:

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

22 (a) A copy of the redevelopment plan and any amendments thereto,  
23 including the date upon which the redevelopment plan was approved, the  
24 effective date for dividing the ad valorem tax as provided to the county  
25 assessor pursuant to subsection ~~(5)~~ (4) of section 18-2147, and the

26 location and boundaries of the property in the redevelopment project; and

27 (b) A short narrative description of the type of development  
28 undertaken by the city or village with the financing and the type of  
29 business or commercial activity locating within the redevelopment project  
30 area as a result of the redevelopment project.

31 (2) The report required under subsection (1) of this section must be

1 filed each year, regardless of whether the information in the report has  
2 changed, except that a city is not required to refile a copy of the  
3 redevelopment plan or an amendment thereto if such copy or amendment has  
4 previously been filed.

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

17 Sec. 5. Section 18-2117.04, Revised Statutes Cumulative Supplement,  
18 2018, is amended to read:

19 18-2117.04 (1) On and after October 1, 2018, each city that has  
20 approved one or more redevelopment plans or redevelopment projects that  
21 are financed in whole or in part through the division of taxes as  
22 provided in section 18-2147 shall retain copies of (a) all such  
23 redevelopment plans and (b) all supporting documents associated with the  
24 redevelopment plans or redevelopment projects, ~~and~~ with any related  
25 substandard and blighted declaration under section 18-2109, and with any  
26 related extremely blighted declaration under section 2 of this act that  
27 are received or generated by the city.

28 (2) The city shall retain the redevelopment plans and supporting  
29 documents described in subsection (1) of this section for the period of  
30 time required under any applicable records retention schedule adopted  
31 under the Records Management Act or for three years following the end of

1 the last fiscal year in which ad valorem taxes are divided, whichever  
2 period is longer.

3 (3) For purposes of this section, supporting document includes any  
4 substandard and blighted study or analysis conducted pursuant to section  
5 18-2109, any extremely blighted study or analysis conducted pursuant to  
6 section 2 of this act, any cost-benefit analysis conducted pursuant to  
7 section 18-2113, and any invoice, receipt, claim, or contract received or  
8 generated by the city that provides support for receipts or payments  
9 associated with the redevelopment plan or redevelopment project.

10 Sec. 6. Section 18-2147, Revised Statutes Cumulative Supplement,  
11 2018, is amended to read:

12 18-2147 (1) Any redevelopment plan as originally approved or as  
13 later modified pursuant to section 18-2117 may contain a provision that  
14 any ad valorem tax levied upon real property, or any portion thereof, in  
15 a redevelopment project for the benefit of any public body shall be  
16 divided, for a period not to exceed the maximum term provided in  
17 subsection (2) of this section ~~fifteen years after the effective date as~~  
18 ~~identified in the project redevelopment contract or in the resolution of~~  
19 ~~the authority authorizing the issuance of bonds pursuant to section~~  
20 ~~18-2124,~~ as follows:

21 (a) That portion of the ad valorem tax which is produced by the levy  
22 at the rate fixed each year by or for each such public body upon the  
23 redevelopment project valuation shall be paid into the funds of each such  
24 public body in the same proportion as are all other taxes collected by or  
25 for the body. When there is not a redevelopment project valuation on a  
26 parcel or parcels, the county assessor shall determine the redevelopment  
27 project valuation based upon the fair market valuation of the parcel or  
28 parcels as of January 1 of the year prior to the year that the ad valorem  
29 taxes are to be divided. The county assessor shall provide written notice  
30 of the redevelopment project valuation to the authority as defined in  
31 section 18-2103 and the owner. The authority or owner may protest the

1 valuation to the county board of equalization within thirty days after  
2 the date of the valuation notice. All provisions of section 77-1502  
3 except dates for filing of a protest, the period for hearing protests,  
4 and the date for mailing notice of the county board of equalization's  
5 decision are applicable to any protest filed pursuant to this section.  
6 The county board of equalization shall decide any protest filed pursuant  
7 to this section within thirty days after the filing of the protest. The  
8 county clerk shall mail a copy of the decision made by the county board  
9 of equalization on protests pursuant to this section to the authority or  
10 owner within seven days after the board's decision. Any decision of the  
11 county board of equalization may be appealed to the Tax Equalization and  
12 Review Commission, in accordance with section 77-5013, within thirty days  
13 after the date of the decision;

14 (b) That portion of the ad valorem tax on real property, as provided  
15 in the redevelopment contract or bond resolution, in the redevelopment  
16 project in excess of such amount, if any, shall be allocated to and, when  
17 collected, paid into a special fund of the authority to be used solely to  
18 pay the principal of, the interest on, and any premiums due in connection  
19 with the bonds of, loans, notes, or advances of money to, or indebtedness  
20 incurred by, whether funded, refunded, assumed, or otherwise, such  
21 authority for financing or refinancing, in whole or in part, the  
22 redevelopment project. When such bonds, loans, notes, advances of money,  
23 or indebtedness, including interest and premiums due, have been paid, the  
24 authority shall so notify the county assessor and county treasurer and  
25 all ad valorem taxes upon taxable real property in such a redevelopment  
26 project shall be paid into the funds of the respective public bodies; and

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

30 (2) The maximum term for dividing ad valorem taxes under subsection  
31 (1) of this section shall be:



1        (a) For any redevelopment plan for which more than fifty percent of  
2 the property in the redevelopment project area has been declared an  
3 extremely blighted area in accordance with section 2 of this act, twenty  
4 years after the effective date as identified in the project redevelopment  
5 contract or in the resolution of the authority authorizing the issuance  
6 of bonds pursuant to section 18-2124; or

7        (b) For all other redevelopment plans, fifteen years after the  
8 effective date as identified in the project redevelopment contract or in  
9 the resolution of the authority authorizing the issuance of bonds  
10 pursuant to section 18-2124.

11        ~~(3) (2)~~ To the extent that a redevelopment plan authorizes the  
12 division of ad valorem taxes levied upon only a portion of the real  
13 property included in such redevelopment plan, any improvements funded by  
14 such division of taxes shall be related to the redevelopment plan that  
15 authorized such division of taxes.

16        ~~(4) (3)~~ The effective date of a provision dividing ad valorem taxes  
17 as provided in subsection (1) of this section shall not occur until such  
18 time as the real property in the redevelopment project is within the  
19 corporate boundaries of the city. This subsection shall not apply to a  
20 redevelopment project involving a formerly used defense site as  
21 authorized in section 18-2123.01.

22        ~~(5) (4)~~ Beginning August 1, 2006, all notices of the provision for  
23 dividing ad valorem taxes shall be sent by the authority to the county  
24 assessor on forms prescribed by the Property Tax Administrator. The  
25 notice shall be sent to the county assessor on or before August 1 of the  
26 year of the effective date of the provision. Failure to satisfy the  
27 notice requirement of this section shall result in the taxes, for all  
28 taxable years affected by the failure to give notice of the effective  
29 date of the provision, remaining undivided and being paid into the funds  
30 for each public body receiving property taxes generated by the property  
31 in the redevelopment project. However, the redevelopment project

1 valuation for the remaining division of ad valorem taxes in accordance  
2 with subdivisions (1)(a) and (b) of this section shall be the last  
3 certified valuation for the taxable year prior to the effective date of  
4 the provision to divide the taxes. Such redevelopment project valuation  
5 shall apply for the remaining portion of the fifteen-year or twenty-year  
6 period applicable to the redevelopment plan under pursuant to subsection  
7 (2) (1) of this section.

8 Sec. 7. Section 77-1704.01, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 77-1704.01 (1) The county treasurer shall include with each tax  
11 notice to every taxpayer and with each receipt provided to a taxpayer the  
12 following information:

13 (a) The total amount of aid from state sources appropriated to the  
14 county and each city, village, and school district in the county;

15 (b) The net amount of property taxes to be levied by the county and  
16 each city, village, school district, and learning community in the  
17 county;

18 (c) For real property, the amount of taxes reflected on the  
19 statement that are levied by the county, city, village, school district,  
20 learning community, and other subdivisions for the tax year and for the  
21 immediately past year on the same parcel;

22 (d) For real property that has its taxes divided under section  
23 18-2147 as part of a redevelopment project under the Community  
24 Development Law, the amount of taxes reflected on the statement that are  
25 allocated to the county, city, village, school district, learning  
26 community, and other subdivisions, the amount of taxes reflected on the  
27 statement that are allocated to the redevelopment project, and a  
28 statement explaining that taxes on the real property have been divided as  
29 part of a redevelopment project under the Community Development Law ~~for a~~  
30 ~~period not to exceed fifteen years;~~ and

31 (e) For taxes levied for fiscal year 2017-18 on real property within

1 a learning community, statements explaining that the school district  
2 levies for learning community member districts are increasing, in part,  
3 as a result of the expiration of the learning community common levies,  
4 the proceeds of which were distributed directly to school districts, and  
5 that the remaining learning community levies fund activities of the  
6 learning community.

7 (2) The necessary form for furnishing the information required by  
8 subdivisions (1)(a), (b), and (e) of this section shall be prescribed by  
9 the Department of Revenue. The necessary information required by  
10 subdivision (1)(a) of this section shall be furnished to the county  
11 treasurer by the Department of Revenue prior to October 1 of each year.  
12 The form prescribed by the Department of Revenue shall contain the  
13 following statement:

14 THE AMOUNT OF STATE FUNDS SHOWN ABOVE WOULD HAVE BEEN ADDITIONAL  
15 PROPERTY TAXES IF NOT ALLOCATED TO THE COUNTY, CITY, VILLAGE, AND SCHOOL  
16 DISTRICT BY THE LEGISLATURE.

17 Sec. 8. Original section 77-1704.01, Reissue Revised Statutes of  
18 Nebraska, and sections 18-2101, 18-2115.01, 18-2117.01, 18-2117.04, and  
19 18-2147, Revised Statutes Cumulative Supplement, 2018, are repealed.