

**ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012**  
**COMMITTEE STATEMENT**  
**LB924**

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**Hearing Date:** Tuesday January 31, 2012  
**Committee On:** Urban Affairs  
**Introducer:** Mello  
**One Liner:** Change the Nebraska Redevelopment Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	6	Senators Coash, Cook, Krist, Lambert, McGill, Smith
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Ashford
<b>Present Not Voting:</b>		

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<b>Proponents:</b>	<b>Representing:</b>
Senator Mello	Self
R.E. Cunningham	City of Omaha
Gary Krumland	League of Nebraska Municipalities

<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

The purpose of LB 924 is to reactivate and modernize the Nebraska Redevelopment Act. This act was written in (YEAR) and became inactive February 1, 2000, due to a sunset clause in the legislation. This bill updates several sections of the act, making it more in line with the Community Development Law, and changes the sunset date to February 1, 2022.

**Comments/Analysis:**

Section 1 of the bill amends Neb.Rev.Stat. 58-501 to include the new section 9 to the act.

Section 2 amends 58-503(7) to change the makeup of board membership for redevelopment projects, and in subsection (18) updates the definitions of employee and number of new employees to harmonize with the changes in the Community Development Law.

Section 3 makes changes to 58-504 by limiting the area of notice required to be given by the entity filing to designate an area as blighted and substandard. Current law requires that any public body whose area of operation is covered in whole or in part by the proposed blighted and substandard area, and any school district who has territory within twenty miles of the border of the proposed area receive notification. This bill would delete the twenty mile requirement and change it to any school district which has territory within or abutting the boarder of the proposed area.

Section 4 reduces that eligible projects threshold to qualified property of at least twenty-five million (the current limit is 50 million dollars), and to the hiring of 150 new employees, instead of the current 500 new employee standard in 58-505.

Section 5 amends 58-507 to include new language in the redevelopment act that mirrors 18-2147 of the Community Development Law, dealing with redevelopment project valuation and the county assessor making the determination of the valuation of the project based on the fair market valuation of the parcel or parcels of land as of January 1 of the year prior. Also included is new language regarding interest and penalties due for delinquent taxes and notices of the provision for dividing property taxes.

Section 6 amends 58-508 by including language that is in 18-2148 of the Community Development Law, by adding the annual date of August 20th for the redevelopment project certification to be completed by the county assessor or county clerk of the counties in which the redevelopment project is located.

Section 7 amends 58-509 to add the language from 18-2149 of the Community Development Law that is deals with the possibility of the current assessed valuation on taxable real and personal property in the redevelopment project being less than the redevelopment project valuation.

Section 8 amends 58-510 to harmonize the changes made in earlier sections of this bill

Section 9 creates a new section in the Redevelopment Act by adding the language from 18-2117.01 from the Community Development Law. This section requires a report be provided on or before December 1 of each year from each city or joint entity which has approved any project application that is financed in whole or in part through the use of Tax Increment Financing. The report must include the following information: (a) a copy of the project application, and (b) a short narrative description of the type of development undertaken by the redevelopment project with the financing and type of business or commercial activity locating within the redevelopment project area. Also required is a report compiled by the property tax administrator for each active redevelopment project, filed with the clerk of the Legislature no later than March 1 of each year.

Section 10 of this bill amends 58-533 to change the sunset date of this act from February 1, 2000, to February 1, 2022.

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**Explanation of amendments:**

The amendment limits the area a city could use TIF under the redevelopment act to only the extraterritorial jurisdiction, and prohibits development in the overlapping extraterritorial jurisdictions of cities in this situation.

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Amanda McGill, Chairperson