

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 168**

FINAL READING

Introduced by Mello, 5.

Read first time January 12, 2015

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Business Improvement District Act; to  
2 amend sections 19-4015, 19-4016, 19-4017, 19-4017.01, 19-4020,  
3 19-4021, 19-4025, 19-4026, 19-4027, 19-4028, 19-4029, 19-4030,  
4 19-4033, 19-4037, and 19-4038, Reissue Revised Statutes of Nebraska;  
5 to authorize expansion of existing district boundaries; to define  
6 and redefine terms; to harmonize provisions; to repeal the original  
7 sections; and to outright repeal section 19-4024, Reissue Revised  
8 Statutes of Nebraska.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 19-4015, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 19-4015 Sections 19-4015 to 19-4038 and sections 7 and 12 to 15 of  
4 this act shall be known and may be cited as the Business Improvement  
5 District Act.

6 Sec. 2. Section 19-4016, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 19-4016 The Business Improvement District Act provides Sections  
9 ~~19-4015 to 19-4038~~ provide a separate and additional method, authority,  
10 and procedure for the matters to which it relates and does not affect any  
11 other law relating to the same or similar subject. When proceeding under  
12 the act, sections 19-4015 to 19-4038, their provisions only the  
13 provisions of the act need be followed.

14 Sec. 3. Section 19-4017, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 19-4017 Cities of the metropolitan, primary, first, and second class  
17 in the state at present have business areas in need of improvement and  
18 development, but lack the funds with which to provide and maintain such  
19 improvements. The purpose of the Business Improvement District Act  
20 ~~sections 19-4015 to 19-4038~~ is to provide a means by which such cities  
21 may raise the necessary funds to be used for the purpose of providing and  
22 maintaining the improvements authorized by the act sections 19-4015 to  
23 ~~19-4038~~.

24 Sec. 4. Section 19-4017.01, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 19-4017.01 For purposes of the Business Improvement District Act As  
27 ~~used in sections 19-4015 to 19-4038,~~ unless the context otherwise  
28 requires:

29 (1) Record owner shall mean the fee owner of real property as shown  
30 in the records of the register of deeds office in the county in which the  
31 business area is located. A contract purchaser of real property shall be

1 considered the record owner ~~for purposes of sections 19-4015 to 19-4038~~  
2 and the only person entitled to petition pursuant to section 19-4026 or  
3 section 13 of this act ~~19-4028~~ or protest pursuant to section 19-4027 or  
4 section 14 of this act, if the contract is recorded in the register of  
5 deeds office in the county in which the business area is located;

6 (2) Assessable unit shall mean front foot, square foot, equivalent  
7 front foot, or other unit of assessment established under the proposed  
8 method of assessment set forth in the ordinance creating resolution of  
9 intention to create a business improvement district; ~~and~~

10 (3) Space shall mean the square foot space wherein customers,  
11 patients, clients, or other invitees are received and space from time to  
12 time used or available for use in connection with a business or  
13 profession of a user, excepting all space owned or used by political  
14 subdivisions; and -

15 (4) Business area shall mean an established area of the city zoned  
16 for business, public, or commercial purposes.

17 Sec. 5. Section 19-4020, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 19-4020 A business improvement district may be created as provided  
20 by the Business Improvement District Act ~~sections 19-4015 to 19-4038~~ and  
21 shall be within the boundaries of a ~~an established~~ business area ~~of the~~  
22 ~~city zoned for business, public, or commercial purposes.~~

23 Sec. 6. Section 19-4021, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 19-4021 The mayor, with the approval of the city council, shall  
26 appoint a business improvement board consisting of property owners,  
27 residents, business operators, or users of space within the business area  
28 to be improved. The boundaries of the business area shall be declared by  
29 resolution of the city council at or prior to the time of the appointment  
30 of the board. The board shall make recommendations to the city council  
31 for the establishment of a plan or plans for improvements in the business

1 area. If it is found that the improvements to be included in one business  
2 area offer benefits that cannot be equitably assessed together under the  
3 Business Improvement District Act sections 19-4015 to 19-4038, more than  
4 one business improvement district as part of the same ~~development~~ plan  
5 for improvements for that business area may be proposed. The board may  
6 make recommendations to the city as to the use of any occupation tax  
7 funds collected, and may administer such funds if so directed by the  
8 mayor and city council. The board shall also review and make  
9 recommendations to the city regarding expansion of the boundaries of the  
10 business improvement district under sections 12 to 15 of this act.

11 Sec. 7. Section 19-4025, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 ~~19-4025~~ (1) A notice of hearing for any hearing under section  
14 19-4029 and sections 12 and 13 of this act sections 19-4015 to 19-4038  
15 shall be given by (a 1) one publication of the notice of hearing  
16 ~~resolution of intention~~ in a newspaper of general circulation in the city  
17 and (b 2) mailing a complete copy of the notice of hearing resolution of  
18 ~~intention~~ to each owner of taxable property as shown on the latest tax  
19 rolls of the county treasurer for such county. If an occupation tax is to  
20 be imposed, a copy of the notice of hearing resolution of intention shall  
21 also be mailed to each user of space in the proposed district.  
22 Publication and mailing shall be completed at least ten days prior to the  
23 time of hearing.

24 (2) Any notice of hearing for any hearing required by section  
25 19-4029 shall contain the following information:

26 (a) A description of the boundaries of the proposed district;

27 (b) The time and place of a hearing to be held by the city council  
28 to consider establishment of the district;

29 (c) The proposed public facilities and improvements to be made or  
30 maintained within any such district; and

31 (d) The proposed or estimated costs for improvements and facilities

1 within the proposed district and the method by which the revenue shall be  
2 raised. If a special assessment is proposed, the notice shall also state  
3 the proposed method of assessment.

4 (3) Any notice of hearing for any hearing required by sections 12  
5 and 13 of this act shall contain the following information:

6 (a) A description of the boundaries of the area to be added to the  
7 existing business improvement district and a description of the new  
8 boundaries of the modified district;

9 (b) The time and place of a hearing to be held by the city council  
10 to consider establishment of the modified district;

11 (c) The new public facilities and improvements, if any, to be made  
12 or maintained within any such district; and

13 (d) The proposed or estimated costs for new and existing  
14 improvements and facilities within the proposed modified district and the  
15 method by which the revenue shall be raised. If a special assessment is  
16 proposed, the notice shall also state the proposed method of assessment.

17 Sec. 8. Section 19-4026, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 19-4026 In the event that the city council has not acted to call a  
20 hearing to create a district as provided in section 19-4029 ~~sections~~  
21 ~~19-4015 to 19-4038~~, it shall do so when presented with a petition signed  
22 by the record owners of thirty percent of the assessable front footage in  
23 a business area or by the users of thirty percent of space in a business  
24 area.

25 Sec. 9. Section 19-4027, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 19-4027 Whenever a hearing is held under section 19-4029 the  
28 ~~provisions of sections 19-4015 to 19-4038~~, the city council shall:

29 (1) Hear all protests and receive evidence for or against the  
30 proposed action;

31 (2) Rule upon all written protests received prior to the close of

1 the hearing, which ruling shall be final; and

2 (3) Continue the hearing from time to time as the city council may  
3 deem necessary.

4 If a special assessment is to be used, proceedings shall terminate  
5 if written protest is made prior to the close of the hearing by the  
6 record owners of over fifty percent of the assessable units in the  
7 proposed district. If an occupation tax is to be used, proceedings shall  
8 terminate if protest is made by users of over fifty percent of the users  
9 of space in the proposed district.

10 Sec. 10. Section 19-4028, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 19-4028 If the city council decides to change the boundaries of the  
13 proposed district or to change the proposed modifications to the  
14 boundaries of an existing business improvement district or districts from  
15 those recommended by the business improvement board, the hearing shall be  
16 continued to a time at least fifteen days after such decision and the  
17 notice shall be given as prescribed in section 7 of this act 19-4026,  
18 showing the boundary amendments. The city council may not expand the  
19 proposed boundaries recommended by the business improvement board without  
20 the council's proposed boundaries being considered by the business  
21 improvement board , ~~but no new or additional resolution of intention~~  
22 ~~shall be required.~~

23 Sec. 11. Section 19-4029, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 19-4029 Upon receiving the recommendation from the business  
26 improvement board, the city council may create one or more business  
27 improvement districts. The city council, following a the hearing, may  
28 establish or reject any proposed district or districts. If the city  
29 council decides to establish any district, it shall adopt an ordinance to  
30 that effect. This ordinance shall contain the following information:

31 (1) A statement that notice of hearing was given, including the date

1 or dates on which it was given, in accordance with section 7 of this act  
2 The number, date, and title of the resolution of intention pursuant to  
3 which it was adopted;

4 (2) The time and place the hearing was held concerning the formation  
5 of such district;

6 (3) A statement that a business improvement district has been  
7 established;

8 (4) The purposes of the district, and the public improvements and  
9 facilities to be included in such district;

10 (5) The description of the boundaries of such district;

11 (6) A statement that the businesses and users of space professions  
12 in the district area established by the ordinance shall be subject to the  
13 general business occupation tax or that the real property in the district  
14 area will be subject to the special assessment authorized by the Business  
15 Improvement District Act sections 19-4015 to 19-4038;

16 (7) The proposed method of assessment to be imposed within the  
17 district or the initial rate of the occupation tax to be imposed; and

18 (8) Any penalties to be imposed for failure to pay the tax or  
19 special assessment.

20 The ordinance shall recite that the method of raising revenue shall  
21 be fair and equitable. In the use of a general occupation tax, the tax  
22 shall be based primarily on the square footage of the owner's and user's  
23 place of business. In the use of a special assessment, the assessment  
24 shall be based upon the special benefit to the property within the  
25 district.

26 Sec. 12. Upon receiving the recommendation to expand the boundaries  
27 of an existing business improvement district from the business  
28 improvement board, the city council may expand the boundaries of one or  
29 more business improvement districts by adopting an ordinance to expand  
30 the boundaries of a district or districts. Prior to adopting the  
31 ordinance, a hearing shall be held to consider the ordinance.

1           Sec. 13. In the event that the city council has not acted to call a  
2 hearing to expand district boundaries as provided in section 12 of this  
3 act, it shall do so when presented with a petition signed by the users of  
4 thirty percent of space in a business area proposed to be added to an  
5 existing business improvement district where an occupation tax is imposed  
6 or by the record owners of thirty percent of the assessable front footage  
7 in a portion of a business area proposed to be added to an existing  
8 business improvement district.

9           Sec. 14. Whenever a hearing is held to expand district boundaries  
10 under section 12 or 13 of this act, the city council shall:

11           (1) Hear all protests and receive evidence for or against the  
12 proposed action;

13           (2) Rule upon all written protests received prior to the close of  
14 the hearing, which ruling shall be final; and

15           (3) Continue the hearing from time to time as the city council may  
16 deem necessary.

17           If a special assessment is to be used, proceedings shall terminate  
18 if written protest is made prior to the close of the hearing by the  
19 record owners of over fifty percent of the assessable units in the  
20 modified district as proposed. If an occupation tax is to be used,  
21 proceedings shall terminate if protest is made by users of over fifty  
22 percent of space in the modified district as proposed.

23           Sec. 15. The city council, following a hearing under section 12 or  
24 13 of this act, may expand the boundaries of any district or districts.  
25 If the city council decides to expand the boundaries, it shall adopt an  
26 ordinance to that effect. This ordinance shall contain the following  
27 information:

28           (1) The name of the district whose boundaries will be expanded;

29           (2) A statement that notice of hearing was given, including the date  
30 or dates on which it was given, in accordance with section 7 of this act;

31           (3) The time and place the hearing was held concerning the new



1 boundaries of such district;

2 (4) The purposes of the boundary expansion and any new public  
3 improvements and facilities to be included in such district;

4 (5) The description of the new boundaries of such district;

5 (6) A statement that the businesses and users of space in the  
6 modified district established by the ordinance shall be subject to the  
7 general business occupation tax or that the real property in the modified  
8 district will be subject to the special assessment authorized by the  
9 Business Improvement District Act;

10 (7) The proposed method of assessment to be imposed within the  
11 district or the initial rate of the occupation tax to be imposed; and

12 (8) Any penalties to be imposed for failure to pay the tax or  
13 special assessment.

14 The ordinance shall recite that the method of raising revenue shall  
15 be fair and equitable. In the use of a general occupation tax, the tax  
16 shall be based primarily on the square footage of the owner's and user's  
17 place of business. In the use of a special assessment, the assessment  
18 shall be based upon the special benefit to the property within the  
19 district.

20 Sec. 16. Section 19-4030, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 19-4030 A city may levy a special assessment against the real estate  
23 located in a business improvement ~~such~~ district, to the extent of the  
24 special benefit thereto, for the purpose of paying all or any part of the  
25 total costs and expenses of performing any authorized work, except  
26 maintenance, repair, and reconstruction costs, within such district. The  
27 amount of each special assessment shall be determined by the city council  
28 sitting as a board of equalization. Assessments shall be levied in  
29 accordance with the method of assessment proposed in the ordinance  
30 creating the district. If the city council finds that the proposed method  
31 of assessment does not provide a fair and equitable method of

1 apportioning costs, then it may assess the costs under such method as the  
2 city council finds to be fair and equitable. Notice of a hearing on any  
3 special assessments to be levied under the Business Improvement District  
4 Act ~~sections 19-4015 to 19-4038~~ shall be given to the landowners in such  
5 district by publication of the description of the land, the amount  
6 proposed to be assessed, and the general purpose for which such  
7 assessment is to be made one time each week for three weeks in a daily or  
8 weekly newspaper of general circulation published in the city. The notice  
9 shall provide the date, time, and place of hearing to hear any objections  
10 or protests by landowners in the district as to the amount of assessment  
11 made against their land. A direct appeal to the district court of the  
12 county in which such city is located may be taken from the decision of  
13 the city council in the same manner and under like terms and conditions  
14 as appeals may be taken from the amount of special assessments levied in  
15 street improvement districts in such city as now provided by law. All  
16 special assessments levied under the act ~~sections 19-4015 to 19-4038~~  
17 shall be liens on the property and shall be certified for collection and  
18 collected in the same manner as special assessments for improvements and  
19 street improvement districts of the city are collected.

20       Sec. 17. Section 19-4033, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22       19-4033 The total amount of assessments or general business  
23 occupation taxes levied under the Business Improvement District Act  
24 ~~sections 19-4015 to 19-4038~~ shall not exceed the total costs and expenses  
25 of performing the authorized work. The levy of any additional assessment  
26 or tax shall not reduce or affect in any manner the assessments  
27 previously levied. The assessments or taxes levied must be for the  
28 purposes specified in the ordinances and the proceeds shall not be used  
29 for any other purpose.

30       Sec. 18. Section 19-4037, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           19-4037 The city is authorized to receive, administer, and disburse  
2 donated funds or grants of federal or state funds for the purposes of and  
3 in the manner authorized by the Business Improvement District Act  
4 ~~sections 19-4015 to 19-4038.~~

5           Sec. 19. Section 19-4038, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           19-4038 Any business improvement district or any downtown  
8 improvement and parking district created prior to May 23, 1979, pursuant  
9 to sections 19-3401 to 19-3420 or 19-4001 to 19-4014, shall continue in  
10 existence and shall hereafter be governed by the Business Improvement  
11 District Act ~~sections 19-4015 to 19-4038.~~

12           Sec. 20. Original sections 19-4015, 19-4016, 19-4017, 19-4017.01,  
13 19-4020, 19-4021, 19-4025, 19-4026, 19-4027, 19-4028, 19-4029, 19-4030,  
14 19-4033, 19-4037, and 19-4038, Reissue Revised Statutes of Nebraska, are  
15 repealed.

16           Sec. 21. The following section is outright repealed: Section  
17 19-4024, Reissue Revised Statutes of Nebraska.