

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 238**

Introduced by Groene, 42.

Read first time January 14, 2015

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Community Development Law; to amend  
2 sections 18-2107, 18-2116, and 18-2117.01, Reissue Revised Statutes  
3 of Nebraska, and sections 18-2103 and 18-2147, Revised Statutes  
4 Cumulative Supplement, 2014; to define a term; to change provisions  
5 relating to tax-increment financing; to harmonize provisions; to  
6 provide an operative date; and to repeal the 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 2014, is amended to read:

3 18-2103 For purposes of the Community Development Law, unless the  
4 context otherwise requires:

5 (1) An authority means any community redevelopment authority created  
6 pursuant to section 18-2102.01 and a city or village which has created a  
7 community development agency pursuant to the provisions of section  
8 18-2101.01 and does not include a limited community redevelopment  
9 authority;

10 (2) Limited community redevelopment authority means a community  
11 redevelopment authority created pursuant to section 18-2102.01 having  
12 only one single specific limited pilot project authorized;

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

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

17 (5) Governing body or local governing body means the city council,  
18 board of trustees, or other legislative body charged with governing the  
19 municipality;

20 (6) Mayor means the mayor of the city or chairperson of the board of  
21 trustees of the village;

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

23 (8) Federal government means the United States of America, or any  
24 agency or instrumentality, corporate or otherwise, of the United States  
25 of America;

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

29 (10) Substandard areas means an area in which there is a  
30 predominance of buildings or improvements, whether nonresidential or  
31 residential in character, which, by reason of dilapidation,

1 deterioration, age or obsolescence, inadequate provision for ventilation,  
2 light, air, sanitation, or open spaces, high density of population and  
3 overcrowding, or the existence of conditions which endanger life or  
4 property by fire and other causes, or any combination of such factors, is  
5 conducive to ill health, transmission of disease, infant mortality,  
6 juvenile delinquency, and crime, (which cannot be remedied through  
7 construction of prisons), and is detrimental to the public health,  
8 safety, morals, or welfare;

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

1 decennial censuses. In no event shall a city of the metropolitan,  
2 primary, or first class designate more than thirty-five percent of the  
3 city as blighted, a city of the second class shall not designate an area  
4 larger than fifty percent of the city as blighted, and a village shall  
5 not designate an area larger than one hundred percent of the village as  
6 blighted. A redevelopment project involving a formerly used defense site  
7 as authorized under section 18-2123.01 shall not count towards the  
8 percentage limitations contained in this subdivision;

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

1 assets, cash, or other funds held or used in connection with residential,  
2 recreational, commercial, industrial, or other uses, including parking or  
3 other facilities functionally related or subordinate to such uses, or any  
4 public use specified in a redevelopment plan or project, except that such  
5 disposition shall be at its fair value for uses in accordance with the  
6 redevelopment plan; (e) to acquire real property in a community  
7 redevelopment area which, under the redevelopment plan, is to be repaired  
8 or rehabilitated for dwelling use or related facilities, repair or  
9 rehabilitate the structures, and resell the property; and (f) to carry  
10 out plans for a program of voluntary or compulsory repair,  
11 rehabilitation, or demolition of buildings or other improvements in  
12 accordance with the redevelopment plan;

13 (13) Redevelopment plan means a plan, as it exists from time to time  
14 for one or more community redevelopment areas, or for a redevelopment  
15 project, which (a) conforms to the general plan for the municipality as a  
16 whole and (b) is sufficiently complete to indicate such land acquisition,  
17 demolition and removal of structures, redevelopment, improvements, and  
18 rehabilitation as may be proposed to be carried out in the community  
19 redevelopment area, zoning and planning changes, if any, land uses,  
20 maximum densities, and building requirements;

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

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

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

1    liens;

2           (17) Bonds means any bonds, including refunding bonds, notes,  
3   interim certificates, debentures, or other obligations issued pursuant to  
4   the Community Development Law except for bonds issued pursuant to section  
5   18-2142.04;

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

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

16          (20) Community redevelopment area means a substandard and blighted  
17  area which the community redevelopment authority designates as  
18  appropriate for a renewal project;

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

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

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

30          (24) Employer-provided health benefit means any item paid for by the  
31  employer in total or in part that aids in the cost of health care

1 services, including, but not limited to, health insurance, health savings  
2 accounts, and employer reimbursement of health care costs;

3 (25) Equivalent employees means the number of employees computed by  
4 (a) dividing the total hours to be paid in a year by (b) the product of  
5 forty times the number of weeks in a year;

6 (26) Business means any private business located in an enhanced  
7 employment area;

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

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

15 (29) Occupation tax means a tax imposed under section 18-2142.02;  
16 and -

17 (30) Public works means streets, roads, public utilities, other  
18 public infrastructure, and other public facilities.

19 Sec. 2. Section 18-2107, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 18-2107 An authority shall constitute a public body corporate and  
22 politic, exercising public and essential governmental functions and  
23 having all the powers necessary or convenient to carry out and effectuate  
24 the purposes and provisions of the Community Development Law and sections  
25 18-2147 to 18-2151, including the power:

26 (1) To sue and to be sued; to have a seal and to alter the same at  
27 pleasure; to have perpetual succession; to make and execute contracts and  
28 other instruments necessary or convenient to the exercise of the powers  
29 of the authority; and to make and from time to time amend and repeal  
30 bylaws, rules, and regulations not inconsistent with the Community  
31 Development Law;

1           (2) To prepare or cause to be prepared and recommend redevelopment  
2 plans to the governing body of the city and to undertake and carry out  
3 redevelopment projects within its area of operation;

4           (3) To arrange or contract for the furnishing or repair, by any  
5 person or agency, public or private, of services, privileges, works,  
6 streets, roads, public utilities, or other public facilities for or in  
7 connection with a redevelopment project; and, notwithstanding anything to  
8 the contrary contained in the Community Development Law or any other  
9 provision of law, to agree to any conditions that it may deem reasonable  
10 and appropriate attached to federal financial assistance and imposed  
11 pursuant to federal law relating to the determination of prevailing  
12 salaries or wages or compliance with labor standards, in the undertaking  
13 or carrying out of a redevelopment project, and to include in any  
14 contract let in connection with such a project provisions to fulfill such  
15 federally imposed conditions as it may deem reasonable and appropriate;

16           (4) Within its area of operation, to purchase, lease, obtain options  
17 upon, or acquire by gift, grant, bequest, devise, eminent domain, or  
18 otherwise any real or personal property or any interest therein, together  
19 with any improvements thereon, necessary or incidental to a redevelopment  
20 project; to hold, improve, clear, or prepare for redevelopment any such  
21 property; to sell, lease for a term not exceeding ninety-nine years,  
22 exchange, transfer, assign, subdivide, retain for its own use, mortgage,  
23 pledge, hypothecate, or otherwise encumber or dispose of any real or  
24 personal property or any interest therein; to enter into contracts with  
25 redevelopers of property containing covenants, restrictions, and  
26 conditions regarding the use of such property for residential,  
27 commercial, industrial, or recreational purposes or for public purposes  
28 in accordance with the redevelopment plan and such other covenants,  
29 restrictions, and conditions as the authority may deem necessary to  
30 prevent a recurrence of substandard and blighted areas or to effectuate  
31 the purposes of the Community Development Law; to make any of the



1 covenants, restrictions, or conditions of the foregoing contracts  
2 covenants running with the land and to provide appropriate remedies for  
3 any breach of any such covenants or conditions, including the right in  
4 the authority to terminate such contracts and any interest in the  
5 property created pursuant thereto; to borrow money, issue bonds, and  
6 provide security for loans or bonds; to establish a revolving loan fund;  
7 to insure or provide for the insurance of any real or personal property  
8 or the operation of the authority against any risks or hazards, including  
9 the power to pay premiums on any such insurance; to enter into any  
10 contracts necessary to effectuate the purposes of the Community  
11 Development Law; and to provide grants, loans, or other means of  
12 financing to public or private parties in order to accomplish the  
13 rehabilitation or redevelopment in accordance with a redevelopment plan.  
14 No statutory provision with respect to the acquisition, clearance, or  
15 disposition of property by other public bodies shall restrict an  
16 authority exercising powers hereunder, in such functions, unless the  
17 Legislature shall specifically so state;

18 (5) To invest any funds held in reserves or sinking funds or any  
19 funds not required for immediate disbursement in property or securities  
20 in which savings banks or other banks may legally invest funds subject to  
21 their control; and to redeem its bonds at the redemption price  
22 established therein or to purchase its bonds at less than redemption  
23 price, and such bonds redeemed or purchased shall be canceled;

24 (6) To borrow money and to apply for and accept advances, loans,  
25 grants, contributions, and any other form of financial assistance from  
26 the federal government, from the state, county, municipality, or other  
27 public body, or from any sources, public or private, including charitable  
28 funds, foundations, corporations, trusts, or bequests, for purposes of  
29 the Community Development Law, to give such security as may be required,  
30 and to enter into and carry out contracts in connection therewith; and  
31 notwithstanding any other provision of law, to include in any contract

1 for financial assistance with the federal government for a redevelopment  
2 project such conditions imposed pursuant to federal law as the authority  
3 may deem reasonable and appropriate and which are not inconsistent with  
4 the purposes of the Community Development Law;

5 (7) Acting through one or more members of an authority or other  
6 persons designated by the authority, to conduct examinations and  
7 investigations and to hear testimony and take proof under oath at public  
8 or private hearings on any matter material for its information; to  
9 administer oaths and to issue commissions for the examination of  
10 witnesses who are outside of the state or unable to attend before the  
11 authority or excused from attendance; and to make available to  
12 appropriate agencies or public officials, including those charged with  
13 the duty of abating or requiring the correction of nuisances or like  
14 conditions, demolishing unsafe or insanitary structures, or eliminating  
15 conditions of blight within its area of operation, its findings and  
16 recommendations with regard to any building or property where conditions  
17 exist which are dangerous to the public health, safety, morals, or  
18 welfare;

19 (8) Within its area of operation, to make or have made all surveys,  
20 appraisals, studies, and plans, but not including the preparation of a  
21 general plan for the community, necessary to the carrying out of the  
22 purposes of the Community Development Law and to contract or cooperate  
23 with any and all persons or agencies, public or private, in the making  
24 and carrying out of such surveys, appraisals, studies, and plans;

25 (9) To prepare plans and provide reasonable assistance for the  
26 relocation of families, business concerns, and others displaced from a  
27 redevelopment project area to permit the carrying out of the  
28 redevelopment project to the extent essential for acquiring possession of  
29 and clearing such area or parts thereof; and to make relocation payments  
30 to or with respect to such persons for moving expenses and losses of  
31 property for which reimbursement or compensation is not otherwise made,

1 including the making of such payments financed by the federal government;

2 (10) To make such expenditures as may be necessary to carry out the  
3 purposes of the Community Development Law; and to make expenditures from  
4 funds obtained from the federal government without regard to any other  
5 laws pertaining to the making and approval of appropriations and  
6 expenditures;

7 (11) To certify on or before September 20 of each year to the  
8 governing body of the city the amount of tax to be levied for the  
9 succeeding fiscal year for community redevelopment purposes, not to  
10 exceed two and six-tenths cents on each one hundred dollars upon the  
11 taxable value of the taxable property in such city, which levy is subject  
12 to allocation under section 77-3443 on and after July 1, 1998. The  
13 governing body shall levy and collect the taxes so certified at the same  
14 time and in the same manner as other city taxes are levied and collected,  
15 and the proceeds of such taxes, when due and as collected, shall be set  
16 aside and deposited in the special account or accounts in which other  
17 revenue of the authority is deposited. Such proceeds shall be employed to  
18 assist in the defraying of any expenses of redevelopment plans and  
19 projects, including the payment of principal and interest on any bonds  
20 issued to pay the costs of any such plans and projects;

21 (12) To exercise all or any part or combination of powers granted in  
22 this section;

23 (13) To plan, undertake, and carry out neighborhood development  
24 programs consisting of redevelopment project undertakings and activities  
25 in one or more community redevelopment areas which are planned and  
26 carried out on the basis of annual increments in accordance with the  
27 Community Development Law and sections 18-2145 and 18-2146 for planning  
28 and carrying out redevelopment projects;

29 (14) To agree with the governing body of the city for the imposition  
30 of an occupation tax for an enhanced employment area; and

31 (15) To demolish any structure determined by the governing body of

1 the city to be unsafe or unfit for human occupancy in accordance with  
2 section 18-1722.01.

3 Sec. 3. Section 18-2116, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 18-2116 (1) Following such hearing, the governing body may approve a  
6 redevelopment plan if (a) it finds that the plan is feasible and in  
7 conformity with the general plan for the development of the city as a  
8 whole and the plan is in conformity with the legislative declarations and  
9 determinations set forth in the Community Development Law and (b) it  
10 finds that, if the plan uses funds authorized in section 18-2147, (i) the  
11 redevelopment project in the plan would not be economically feasible  
12 without the use of tax-increment financing, (ii) the redevelopment  
13 project would not occur in the community redevelopment area without the  
14 use of tax-increment financing, ~~and~~ (iii) the costs and benefits of the  
15 redevelopment project, including costs and benefits to other affected  
16 political subdivisions, the economy of the community, and the demand for  
17 public and private services have been analyzed by the governing body and  
18 have been found to be in the long-term best interest of the community  
19 impacted by the redevelopment project, and (iv) the funds received from  
20 the issuance of bonds or other indebtedness will only be used for  
21 expenditures by the city for land acquisition and site preparation and on  
22 public works.

23 (2) In connection with the approval of any redevelopment plan which  
24 includes the designation of an enhanced employment area, the governing  
25 body may approve the redevelopment plan if it determines that any new  
26 investment within such enhanced employment area will result in at least  
27 (a) two new employees and new investment of one hundred twenty-five  
28 thousand dollars in counties with fewer than fifteen thousand  
29 inhabitants, (b) five new employees and new investment of two hundred  
30 fifty thousand dollars in counties with at least fifteen thousand  
31 inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new

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

21       Sec. 4. Section 18-2117.01, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23       18-2117.01 (1) On or before December 1 each year, each city which  
24 has approved one or more redevelopment plans which are financed in whole  
25 or in part through the use of tax-increment financing as provided in  
26 section 18-2147 shall provide a report to the Property Tax Administrator  
27 on each such redevelopment plan which includes the following information:

28       (a) A copy of the redevelopment plan and any amendments thereto if  
29 they have not been previously filed, including the date upon which the  
30 redevelopment plan was approved, the effective date for dividing the ad  
31 valorem tax as provided to the county assessor pursuant to subsection (3)

1 of section 18-2147, and the location and boundaries of the property in  
2 the redevelopment project;~~and~~

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

7 (c) A certification by the city that the funds received from the  
8 issuance of bonds or other indebtedness have only been used for  
9 expenditures by the city for land acquisition and site preparation and on  
10 public works.

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

23 Sec. 5. Section 18-2147, Revised Statutes Cumulative Supplement,  
24 2014, is amended to read:

25 18-2147 (1) Any redevelopment plan as originally approved or as  
26 later modified pursuant to section 18-2117 may contain a provision that  
27 any ad valorem tax levied upon real property, or any portion thereof, in  
28 a redevelopment project for the benefit of any public body shall be  
29 divided, for a period not to exceed fifteen years after the effective  
30 date as identified in the project redevelopment contract or in the  
31 resolution of the authority authorizing the issuance of bonds pursuant to

1 section 18-2124, as follows:

2 (a) That portion of the ad valorem tax which is produced by the levy  
3 at the rate fixed each year by or for each such public body upon the  
4 redevelopment project valuation shall be paid into the funds of each such  
5 public body in the same proportion as are all other taxes collected by or  
6 for the body. When there is not a redevelopment project valuation on a  
7 parcel or parcels, the county assessor shall determine the redevelopment  
8 project valuation based upon the fair market valuation of the parcel or  
9 parcels as of January 1 of the year prior to the year that the ad valorem  
10 taxes are to be divided. The county assessor shall provide written notice  
11 of the redevelopment project valuation to the authority as defined in  
12 section 18-2103 and the owner. The authority or owner may protest the  
13 valuation to the county board of equalization within thirty days after  
14 the date of the valuation notice. All provisions of section 77-1502  
15 except dates for filing of a protest, the period for hearing protests,  
16 and the date for mailing notice of the county board of equalization's  
17 decision are applicable to any protest filed pursuant to this section.  
18 The county board of equalization shall decide any protest filed pursuant  
19 to this section within thirty days after the filing of the protest. The  
20 county clerk shall mail a copy of the decision made by the county board  
21 of equalization on protests pursuant to this section to the authority or  
22 owner within seven days after the board's decision. Any decision of the  
23 county board of equalization may be appealed to the Tax Equalization and  
24 Review Commission, in accordance with section 77-5013, within thirty days  
25 after the date of the decision;

26 (b) That portion of the ad valorem tax on real property, as provided  
27 in the redevelopment contract or bond resolution, in the redevelopment  
28 project in excess of such amount, if any, shall be allocated to and, when  
29 collected, paid into a special fund of the authority to be used solely to  
30 pay the principal of, the interest on, and any premiums due in connection  
31 with the bonds of, loans, notes, or advances of money to, or indebtedness

1 incurred by, whether funded, refunded, assumed, or otherwise, such  
2 authority for financing or refinancing, in whole or in part, the  
3 redevelopment project. When such bonds, loans, notes, advances of money,  
4 or indebtedness, including interest and premiums due, have been paid, the  
5 authority shall so notify the county assessor and county treasurer and  
6 all ad valorem taxes upon taxable real property in such a redevelopment  
7 project shall be paid into the funds of the respective public bodies; and

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

11 (2) The effective date of a provision dividing ad valorem taxes as  
12 provided in subsection (1) of this section shall not occur until such  
13 time as the real property in the redevelopment project is within the  
14 corporate boundaries of the city. This subsection shall not apply to a  
15 redevelopment project involving a formerly used defense site as  
16 authorized in section 18-2123.01.

17 (3) Beginning August 1, 2006, all notices of the provision for  
18 dividing ad valorem taxes shall be sent by the authority to the county  
19 assessor on forms prescribed by the Property Tax Administrator. The  
20 notice shall be sent to the county assessor on or before August 1 of the  
21 year of the effective date of the provision. Failure to satisfy the  
22 notice requirement of this section shall result in the taxes, for all  
23 taxable years affected by the failure to give notice of the effective  
24 date of the provision, remaining undivided and being paid into the funds  
25 for each public body receiving property taxes generated by the property  
26 in the redevelopment project. However, the redevelopment project  
27 valuation for the remaining division of ad valorem taxes in accordance  
28 with subdivisions (1)(a) and (b) of this section shall be the last  
29 certified valuation for the taxable year prior to the effective date of  
30 the provision to divide the taxes for the remaining portion of the  
31 fifteen-year period pursuant to subsection (1) of this section.



1           (4) Notwithstanding any provision of the Community Development Law  
2 to the contrary, (a) bonds that are issued and paid for through the use  
3 of tax-increment financing shall not have an interest rate exceeding the  
4 prime rate published by the Federal Reserve Board plus two percentage  
5 points, (b) such bonds must be sold at a public sale after notice  
6 published prior to such sale in a legal newspaper having general  
7 circulation in the city where the redevelopment project is located or in  
8 such other medium of publication as the authority may deem appropriate,  
9 and (c) the proceeds from the issuance of such bonds shall only be used  
10 for expenditures by the city for land acquisition and site preparation  
11 and on public works.

12           Sec. 6. This act becomes operative on January 1, 2016.

13           Sec. 7. Original sections 18-2107, 18-2116, and 18-2117.01, Reissue  
14 Revised Statutes of Nebraska, and sections 18-2103 and 18-2147, Revised  
15 Statutes Cumulative Supplement, 2014, are repealed.