

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 25**

Introduced by Wayne, 13.

Read first time January 07, 2021

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Community Development Law; to amend  
2 sections 18-2101.02 and 18-2147, Revised Statutes Cumulative  
3 Supplement, 2020; to change the period for dividing ad valorem taxes  
4 for certain redevelopment plans that include extremely blighted  
5 areas; to harmonize provisions; to repeal the original sections; and  
6 to declare an emergency.

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

1 Section 1. Section 18-2101.02, Revised Statutes Cumulative  
2 Supplement, 2020, is amended to read:

3 18-2101.02 (1) For any city that (a) intends to carry out a  
4 redevelopment project which will involve the construction of workforce  
5 housing in an extremely blighted area as authorized under subdivision  
6 (28)(g) of section 18-2103, (b) intends to prepare a redevelopment plan  
7 that will divide ad valorem taxes for a period of more than fifteen years  
8 but not more than twenty years as provided in subdivision (3)(b) of  
9 section 18-2147, (c) intends to declare an area as an extremely blighted  
10 area for purposes of funding decisions under subdivision (1)(b) of  
11 section 58-708, or (d) ~~(e)~~ intends to declare an area as an extremely  
12 blighted area in order for individuals purchasing residences in such area  
13 to qualify for the income tax credit authorized in subsection (7) of  
14 section 77-2715.07, the governing body of such city shall first declare,  
15 by resolution adopted after the public hearings required under this  
16 section, such area to be an extremely blighted area.

17 (2) Prior to making such declaration, the governing body of the city  
18 shall conduct or cause to be conducted a study or an analysis on whether  
19 the area is extremely blighted and shall submit the question of whether  
20 such area is extremely blighted to the planning commission or board of  
21 the city for its review and recommendation. The planning commission or  
22 board shall hold a public hearing on the question after giving notice of  
23 the hearing as provided in section 18-2115.01. The planning commission or  
24 board shall submit its written recommendations to the governing body of  
25 the city 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. At the public hearing, all interested parties

1 shall be afforded a reasonable opportunity to express their views  
2 respecting the proposed declaration. After such hearing, the governing  
3 body of the city may make its declaration.

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

8 (5) The study or analysis required under subsection (2) of this  
9 section may be conducted in conjunction with the study or analysis  
10 required under section 18-2109. The hearings required under this section  
11 may be held in conjunction with the hearings required under section  
12 18-2109.

13 Sec. 2. Section 18-2147, Revised Statutes Cumulative Supplement,  
14 2020, is amended to read:

15 18-2147 (1) Any redevelopment plan as originally approved or as  
16 later modified pursuant to section 18-2117 may contain a provision that  
17 any ad valorem tax levied upon real property, or any portion thereof, in  
18 a redevelopment project for the benefit of any public body shall be  
19 divided, for the applicable period described in subsection (3) of this  
20 section, 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, bond resolution, or redevelopment plan, as  
16 applicable, in the redevelopment project in excess of such amount, if  
17 any, shall be allocated to and, when collected, paid into a special fund  
18 of the authority to be used solely to pay the principal of, the interest  
19 on, and any premiums due in connection with the bonds of, loans, notes,  
20 or advances of money to, or indebtedness incurred by, whether funded,  
21 refunded, assumed, or otherwise, such authority for financing or  
22 refinancing, in whole or in part, the redevelopment project. When such  
23 bonds, loans, notes, advances of money, or indebtedness, including  
24 interest and premiums due, have been paid, the authority shall so notify  
25 the county assessor and county treasurer and all ad valorem taxes upon  
26 taxable real property in such a redevelopment project shall be paid into  
27 the funds of the respective public bodies. An authority may use a single  
28 fund for purposes of this subdivision for all redevelopment projects or  
29 may use a separate fund for each redevelopment project; and

30 (c) Any interest and penalties due for delinquent taxes shall be  
31 paid into the funds of each public body in the same proportion as are all

1 other taxes collected by or for the public body.

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

7 (3)(a) For redevelopment plans that receive an expedited review  
8 under section 18-2155, ad valorem taxes shall be divided for a period not  
9 to exceed ten years after the effective date as identified in the  
10 redevelopment plan.

11 (b) For any redevelopment plan for which more than fifty percent of  
12 the property in the redevelopment project area has been declared an  
13 extremely blighted area in accordance with section 18-2101.02, ad valorem  
14 taxes shall be divided for a period not to exceed twenty years after the  
15 effective date as identified in the project redevelopment contract or in  
16 the resolution of the authority authorizing the issuance of bonds  
17 pursuant to section 18-2124.

18 (c) ~~(b)~~ For all other redevelopment plans, ad valorem taxes shall be  
19 divided for a period not to exceed fifteen years after the effective date  
20 as identified in the project redevelopment contract or in the resolution  
21 of the authority authorizing the issuance of bonds pursuant to section  
22 18-2124.

23 (4) The effective date of a provision dividing ad valorem taxes as  
24 provided in subsection (3) of this section shall not occur until such  
25 time as the real property in the redevelopment project is within the  
26 corporate boundaries of the city. This subsection shall not apply to a  
27 redevelopment project involving a formerly used defense site as  
28 authorized in section 18-2123.01.

29 (5) Beginning August 1, 2006, all notices of the provision for  
30 dividing ad valorem taxes shall be sent by the authority to the county  
31 assessor on forms prescribed by the Property Tax Administrator. The

1 notice shall be sent to the county assessor on or before August 1 of the  
2 year of the effective date of the provision. Failure to satisfy the  
3 notice requirement of this section shall result in the taxes, for all  
4 taxable years affected by the failure to give notice of the effective  
5 date of the provision, remaining undivided and being paid into the funds  
6 for each public body receiving property taxes generated by the property  
7 in the redevelopment project. However, the redevelopment project  
8 valuation for the remaining division of ad valorem taxes in accordance  
9 with subdivisions (1)(a) and (b) of this section shall be the last  
10 certified valuation for the taxable year prior to the effective date of  
11 the provision to divide the taxes for the remaining portion of the ten-  
12 year, twenty-year, or fifteen-year period pursuant to subsection (3) of  
13 this section.

14 Sec. 3. Original sections 18-2101.02 and 18-2147, Revised Statutes  
15 Cumulative Supplement, 2020, are repealed.

16 Sec. 4. Since an emergency exists, this act takes effect when  
17 passed and approved according to law.