

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB813

Hearing Date: January 22, 2008

Committee On: Urban Affairs

Introducer(s): (McGill)

Title: Authorize urban growth districts and bonds

Roll Call Vote - Final Committee Action: Placed on General File

Vote Results:

6 Yes	Senators Cornett, Friend, Janssen, McGill, Rogert, White
0 No	
1 Absent	Senators Lathrop
0 Present, not voting	

Proponents:

Senator Amanda McGill
Don Herz
Daniel Marvin
Bruce Bohrer
Lynn Rex
Walter Radcliff
Jack Cheloha

Representing:

Introducer
City of Lincoln Exhibits 4 and 5
City of Lincoln Exhibit 6
Lincoln Chamber of Commerce Exhibit 7
League of NE Municipalities
NE Realtors Association
City of Omaha

Opponents:

None

Representing:

Neutral:

Bruce Kevil

Representing:

NE State Home Builders

Summary of purpose and/or change: The bill is aimed at the perceived problem of finding the financial resources to enable municipalities to finance the infrastructure needs of “fringe areas”: portions of the city that are along the municipality’s edge which have developed in recent years. (Subsection 1) It is the intent of the bill to encourage cities to use the authority of the act (and local option sales and use taxes) to fund bonds issued for those needed infrastructure improvements.

Any city or village could create one or more “urban growth districts”: areas along the edge of the city that are currently within city limits but which were not within the city limits as they existed on January 1, 1988. The districts are formed by ordinance and the ordinance includes a description of the boundaries of the district, the local option sales tax rate of the city, and the estimated “urban growth local option sales and use tax revenue” anticipated to be identified as a result of the creation of the district.

Once formed, the municipality may issue urban growth bonds or refunding bonds to finance or refinance the construction or improvement of roads, streets, streetscapes, bridges, and related structures, parks, or other public infrastructure within the growth district or in any other area of the municipality.

The bonds shall be secured by a pledge (in whole or in part) of a portion of the city’s local option sales tax, the “urban growth local option sales and use tax revenue”: this is defined as the total local option sales tax revenue multiplied by the ratio of the area within the growth district to the area of the whole municipality.

By express provision of the new statute, current charter or statutory debt restrictions would not apply to these bonds.

The bonds would, notwithstanding any other provision of the act, be general obligation bonds: the cities using the authority of this act are expressly required to levy sufficient property taxes at the necessary rate to provide sufficient funds to pay off the principal and interest of the urban growth bonds following issuance.

.Explanation of amendments, if any: None

Senator Mike Friend, Chairperson