

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 781

Introduced by Lathrop, 12.

Read first time January 07, 2010

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to urban growth districts; to amend section
2 18-2901, Revised Statutes Supplement, 2009; to change
3 provisions relating to such districts as prescribed; to
4 repeal the original section; and to declare an emergency.

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

1 Section 1. Section 18-2901, Revised Statutes Supplement,
2 2009, is amended to read:

3 18-2901 (1) The Legislature recognizes that there is
4 a growing concern among municipalities that infrastructure costs
5 and needs are great, especially in areas that are on the edge
6 of or near the municipal boundaries and in need of development
7 resources, and the governing bodies of municipalities must identify
8 and develop financing mechanisms to respond to all infrastructure
9 needs in an effective and efficient manner. The authorization of
10 urban growth bonds, with local option sales and use tax revenue
11 identified as the source of financing for the bonds, will encourage
12 municipalities to use such revenue to bond infrastructure needs.

13 (2) The governing body of a municipality may create
14 one or more urban growth districts for the purpose of using
15 local option sales and use tax revenue to finance municipal
16 infrastructure needs. An urban growth district may be in an area
17 along the edge of a municipality's boundary or in any other growth
18 area designated by the governing body, except that the territory of
19 each urban growth district shall be ~~(a) within the municipality's~~
20 ~~corporate limits, and (b) outside the municipality's corporate~~
21 ~~limits as they existed as of the date twenty years prior to the~~
22 ~~issuance of any urban growth bonds by a municipality under the~~
23 ~~authority of this section.~~

24 (3) The governing body shall establish an urban growth
25 district by ordinance. The ordinance shall include:

1 (a) A description of the boundaries of the proposed
2 district; and

3 (b) The local option sales tax rate and estimated urban
4 growth local option sales and use tax revenue anticipated to be
5 identified as a result of the creation of the district.

6 (4) Any municipality that has established an urban growth
7 district may, by ordinance approved by a vote of two-thirds of
8 the members of its governing body, issue urban growth bonds and
9 refunding bonds to finance and refinance the construction or
10 improvement of roads, streets, streetscapes, bridges, and related
11 structures within the urban growth district and in any other area
12 of the municipality. The bonds shall be secured as to payment
13 by a pledge, as determined by the municipality, of the urban
14 growth local option sales and use tax revenue and shall mature not
15 later than twenty-five years after the date of issuance. Annual
16 debt service on all bonds issued with respect to an urban growth
17 district pursuant to this section shall not exceed the urban
18 growth local option sales and use tax revenue with respect to such
19 district for the fiscal year prior to the fiscal year in which
20 the current series of such bonds are issued. For purposes of this
21 section, urban growth local option sales and use tax revenue means
22 the municipality's total local option sales and use tax revenue
23 multiplied by the ratio of the area included in the urban growth
24 district to the total area of the municipality.

25 (5) The issuance of urban growth bonds by any

1 municipality under the authority of this section shall not be
2 subject to any charter or statutory limitations of indebtedness or
3 be subject to any restrictions imposed upon or conditions precedent
4 to the exercise of the powers of municipalities to issue bonds or
5 evidences of indebtedness which may be contained in such charters
6 or other statutes. Any municipality which issues urban growth bonds
7 under the authority of this section shall levy property taxes
8 upon all the taxable property in the municipality at such rate or
9 rates within any applicable charter, statutory, or constitutional
10 limitations as will provide funds which, together with the urban
11 growth local option sales and use tax revenue pledged to the
12 payment of such bonds and any other money made available and used
13 for that purpose, will be sufficient to pay the principal of and
14 interest on such urban growth bonds as they severally mature.

15 Sec. 2. Original section 18-2901, Revised Statutes
16 Supplement, 2009, is repealed.

17 Sec. 3. Since an emergency exists, this act takes effect
18 when passed and approved according to law.