



One Hundred First Legislature - First Session - 2009
Introducer's Statement of Intent
LB 85

Chairperson: Mike Friend
Committee: Urban Affairs
Date of Hearing: January 20, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 85 would allow a municipality to create one or more urban growth districts in the parts of the city's edges which have been developed since 1988. The governing body of the municipality may then issue urban growth bonds for the construction or improvement of roads, streets, streetscapes, bridges, and related structures, parks, and other public infrastructure in the municipality. The bonds would be secured by a pledge of the estimated sales and use tax revenues anticipated to be identified as a result of the creation of the district. The percentage identified would then be applied to the overall sales tax receipts of the city. Only the sales and use tax revenue is pledged, and property tax is only a backstop measure similar to Highway Allocation Bonds. The bonds would be issued pursuant to the adoption of an ordinance by the municipality. A vote of the electorate would not be required. The bonds would have to mature not later than twenty-five years after issuance, and annual debt service could not exceed the urban growth local option sales and use tax revenue generated in the fiscal year prior to the fiscal year in which the current series of bonds are issued.

The urban growth bonds could not be subject to any charter or statutory limitations of indebtedness.

Principal Introducer:

Senator Amanda McGill