

Legislature - First Session - 2015

Introducer's Statement of Intent

LB445

Chairperson: Senator Sue Crawford

Committee: Urban Affairs

Date of Hearing:

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

Presently there is no state oversight over the use of Tax Increment Financing (TIF). At this time cities are free to, without worry of penalty, use the property tax dollars entrusted to them by the people of Nebraska for expenditures unrelated to acknowledged public cost pursuant to the Nebraska Constitution Article VIII, Section 12.

LB445 provides this oversight. This bill decrees that the cities using TIF submit itemized statements to the Department of Revenue showing funds received pursuant to TIF as well as showing that these funds were used for city expenditures for land aquisition and preparation, as well as improvements to public infrastructure or facilities. Cities using TIF already have the obligation under the Community Development Law to give the Property tax Administrator in the Department of Revenue a report on their TIF projects. This bill adds details to that requirement so that the Department of Revenue can ascertain and regulate that the law is being followed.

This bill further allows for biannual audits by the Department of Revenue to ensure that the TIF raised funds are used for a normal taxpayer funded purpose. Those cities or municipalities found to be in violation of state law are barred from proposing additional redevelopment projects until the violation is rectified to the Department of Revenue's satisfaction.

Principal Introducer: _____

Senator Mike Groene

