

**ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018**  
**COMMITTEE STATEMENT**  
**LB874**

---

**Hearing Date:** Tuesday January 30, 2018  
**Committee On:** Urban Affairs  
**Introducer:** Urban Affairs  
**One Liner:** Change the Community Development Law

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**  
**Aye:** 7 Senators Crawford, Hansen, Howard, Larson, Quick, Riepe, Wayne  
**Nay:**  
**Absent:**  
**Present Not Voting:**

---

**Verbal Testimony:**

**Proponents:**  
Trevor Fitzgerald  
Russ Karpisek  
Renee Fry

**Representing:**  
Urban Affairs Committee  
Auditor of Public Accounts  
Open Sky Policy Institute

**Opponents:**  
David Landis  
Mike Jacobsen  
  
Jennifer Taylor  
Jamie Berglund  
Julie Stavneak  
Walt Radcliffe  
Jean Petsch

**Representing:**  
City of Lincoln  
North Platte Community Redevelopment Authority/North Platte Chamber/League of Nebraska Municipalities  
City of Omaha  
Omaha by Design  
J Development Company  
Nebraska Realtors Association  
Associated General Contractors- Nebraska Building Chapter  
Turner Park North/Nebraska Association of Commercial Property Owners/American Institute of Architects Nebraska  
League of Nebraska Municipalities  
Cities of Kearney, Hastings, and Lexington

David Levy

Christy Abraham  
Don Wesely

**Neutral:**

**Representing:**

---

**Summary of purpose and/or changes:**

LB 874 would make a number of changes to provisions in the Community Development Law related to tax-increment financing (TIF), including changes to record keeping, annual reporting of TIF projects to the Department of Revenue, cost reimbursements, substandard and blighted designations, cost-benefit analyses, auditing of TIF projects, and public notices and public hearings for TIF projects.

LB 874 is the product of the Urban Affairs Committee's LR 60 interim study that examined issues related to the use of

---

**Explanation of amendments:**

AM 1823 makes a series of changes to the bill, including:

- Eliminates provisions requiring that each county and school district be given the opportunity to appoint a non-voting member to the municipality's community redevelopment authority (CRA)
- Expands the requirement that proceeds from the repayment of loans made for TIF projects cannot be used to establish a revolving loan fund to all proceeds from indebtedness incurred for a TIF project
- Requires that the findings commonly referred to as the "but-for" test be documented in writing
- Eliminates the requirement that each municipality which utilizes TIF establish a local auditing plan and moves requirements from the local auditing plan into the annual report on TIF projects to the governing body
- Provides that the annual report on TIF projects to the governing body also be sent to the governing body of each county, school district, community college area, educational service unit, and natural resources district whose property taxes are affected by TIF
- Moves all notice requirements into a new section of statute and clarifies that notices shall be deemed given upon the sending of such notices
- Clarifies that audits of CRAs would be done at the CRA's expense
- Clarifies that records retention requirements only apply to those documents generated or received by the city or developer
- Clarifies that developers only have to retain documents related to the TIF-funded portion of the redevelopment project
- Makes various other harmonizing and clean-up changes

---

Justin Wayne, Chairperson