

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 131

FINAL READING

Introduced by Urban Affairs Committee: Wayne, 13, Chairperson; Crawford, 45; Hansen, 26; Howard, 9; Larson, 40; Quick, 35; Riepe, 12.

Read first time January 06, 2017

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to cities and villages; to amend section
- 2 18-2901, Reissue Revised Statutes of Nebraska; to change a
- 3 requirement for the territory of an urban growth district as
- 4 prescribed; to change a provision relating to urban growth bonds and
- 5 refunding bonds; and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2901, Reissue Revised Statutes of Nebraska, is
2 amended to read:

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

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

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

- 25 (a) A description of the boundaries of the proposed district; and
26 (b) The local option sales tax rate and estimated urban growth local
27 option sales and use tax revenue anticipated to be identified as a result
28 of the creation of the district.

29 (4) Any municipality that has established an urban growth district
30 may, by ordinance approved by a vote of two-thirds of the members of its
31 governing body, authorize the issuance of ~~issue~~ urban growth bonds and

1 refunding bonds to finance and refinance the construction or improvement
2 of roads, streets, streetscapes, bridges, and related structures within
3 the urban growth district and in any other area of the municipality. The
4 bonds shall be secured as to payment by a pledge, as determined by the
5 municipality, of the urban growth local option sales and use tax revenue
6 and shall mature not later than twenty-five years after the date of
7 issuance. Annual debt service on all bonds issued with respect to an
8 urban growth district pursuant to this section shall not exceed the urban
9 growth local option sales and use tax revenue with respect to such
10 district for the fiscal year prior to the fiscal year in which the
11 current series of such bonds are issued. For purposes of this section,
12 urban growth local option sales and use tax revenue means the
13 municipality's total local option sales and use tax revenue multiplied by
14 the ratio of the area included in the urban growth district to the total
15 area of the municipality.

16 (5) The issuance of urban growth bonds by any municipality under the
17 authority of this section shall not be subject to any charter or
18 statutory limitations of indebtedness or be subject to any restrictions
19 imposed upon or conditions precedent to the exercise of the powers of
20 municipalities to issue bonds or evidences of indebtedness which may be
21 contained in such charters or other statutes. Any municipality which
22 issues urban growth bonds under the authority of this section shall levy
23 property taxes upon all the taxable property in the municipality at such
24 rate or rates within any applicable charter, statutory, or constitutional
25 limitations as will provide funds which, together with the urban growth
26 local option sales and use tax revenue pledged to the payment of such
27 bonds and any other money made available and used for that purpose, will
28 be sufficient to pay the principal of and interest on such urban growth
29 bonds as they severally mature.

30 Sec. 2. Original section 18-2901, Reissue Revised Statutes of
31 Nebraska, is repealed.