

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1085**

Introduced by Wayne, 13.

Read first time January 18, 2018

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to community development; to amend sections  
2 18-2109 and 18-2117.01, Reissue Revised Statutes of Nebraska, and  
3 sections 18-2103 and 18-2147, Revised Statutes Cumulative  
4 Supplement, 2016; to alphabetize terms, define a new term, and  
5 provide requirements for certain redevelopment plans under the  
6 Community Development Law; to change provisions relating to tax-  
7 increment financing; to harmonize provisions; and to repeal the  
8 original sections.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2103, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 18-2103 For purposes of the Community Development Law, unless the  
4 context otherwise requires:

5 (1) Area of operation means and includes the area within the  
6 corporate limits of the city and such land outside the city as may come  
7 within the purview of sections 18-2123 and 18-2123.01;

8 (2) Authority means any community redevelopment authority created  
9 pursuant to section 18-2102.01 and a city or village which has created a  
10 community development agency pursuant to the provisions of section  
11 18-2101.01 and does not include a limited community redevelopment  
12 authority;

13 (3) Blighted area means an area, which (a) by reason of the presence  
14 of a substantial number of deteriorated or deteriorating structures,  
15 existence of defective or inadequate street layout, faulty lot layout in  
16 relation to size, adequacy, accessibility, or usefulness, insanitary or  
17 unsafe conditions, deterioration of site or other improvements, diversity  
18 of ownership, tax or special assessment delinquency exceeding the fair  
19 value of the land, defective or unusual conditions of title, improper  
20 subdivision or obsolete platting, or the existence of conditions which  
21 endanger life or property by fire and other causes, or any combination of  
22 such factors, substantially impairs or arrests the sound growth of the  
23 community, retards the provision of housing accommodations, or  
24 constitutes an economic or social liability and is detrimental to the  
25 public health, safety, morals, or welfare in its present condition and  
26 use and (b) in which there is at least one of the following conditions:  
27 (i) Unemployment in the designated area is at least one hundred twenty  
28 percent of the state or national average; (ii) the average age of the  
29 residential or commercial units in the area is at least forty years;  
30 (iii) more than half of the plotted and subdivided property in an area is  
31 unimproved land that has been within the city for forty years and has

1 remained unimproved during that time; (iv) the per capita income of the  
2 area is lower than the average per capita income of the city or village  
3 in which the area is designated; or (v) the area has had either stable or  
4 decreasing population based on the last two decennial censuses. In no  
5 event shall a city of the metropolitan, primary, or first class designate  
6 more than thirty-five percent of the city as blighted, a city of the  
7 second class shall not designate an area larger than fifty percent of the  
8 city as blighted, and a village shall not designate an area larger than  
9 one hundred percent of the village as blighted. A redevelopment project  
10 involving a formerly used defense site as authorized under section  
11 18-2123.01 shall not count towards the percentage limitations contained  
12 in this subdivision;

13 (4) Bonds means any bonds, including refunding bonds, notes, interim  
14 certificates, debentures, or other obligations issued pursuant to the  
15 Community Development Law except for bonds issued pursuant to section  
16 18-2142.04;

17 (5) Business means any private business located in an enhanced  
18 employment area;

19 (6) City means any city or incorporated village in the state;

20 (7) Clerk means the clerk of the city or village;

21 (8) Community redevelopment area means a substandard and blighted  
22 area which the community redevelopment authority designates as  
23 appropriate for a renewal project;

24 (9) Employee means a person employed at a business as a result of a  
25 redevelopment project;

26 (10) Employer-provided health benefit means any item paid for by the  
27 employer in total or in part that aids in the cost of health care  
28 services, including, but not limited to, health insurance, health savings  
29 accounts, and employer reimbursement of health care costs;

30 (11) Enhanced employment area means an area not exceeding six  
31 hundred acres (a) within a community redevelopment area which is

1 designated by an authority as eligible for the imposition of an  
2 occupation tax or (b) not within a community redevelopment area as may be  
3 designated under section 18-2142.04;

4 (12) Equivalent employees means the number of employees computed by  
5 (a) dividing the total hours to be paid in a year by (b) the product of  
6 forty times the number of weeks in a year;

7 (13) Extremely blighted area means a substandard and blighted area  
8 which has been certified as a Neighborhood Revitalization Strategy Area  
9 by the city and the United States Department of Housing and Urban  
10 Development or in which: (a) The average rate of unemployment in the area  
11 during the period covered by the most recent decennial census is at least  
12 two hundred percent of the average rate of unemployment in the state  
13 during the same period; or (b) the average poverty rate in the area  
14 exceeds twenty percent for the total federal census tract or tracts or  
15 federal census block group or block groups in the area;

16 (14) Federal government means the United States of America, or any  
17 agency or instrumentality, corporate or otherwise, of the United States  
18 of America;

19 (15) Governing body or local governing body means the city council,  
20 board of trustees, or other legislative body charged with governing the  
21 municipality;

22 (16) Limited community redevelopment authority means a community  
23 redevelopment authority created pursuant to section 18-2102.01 having  
24 only one single specific limited pilot project authorized;

25 (17) Mayor means the mayor of the city or chairperson of the board  
26 of trustees of the village;

27 (18) New investment means the value of improvements to real estate  
28 made in an enhanced employment area by a developer or a business;

29 (19) Number of new employees means the number of equivalent  
30 employees that are employed at a business as a result of the  
31 redevelopment project during a year that are in excess of the number of

1 equivalent employees during the year immediately prior to the year that a  
2 redevelopment plan is adopted;

3 (20) Obligee means any bondholder, agent, or trustee for any  
4 bondholder, or lessor demising to any authority, established pursuant to  
5 section 18-2102.01, property used in connection with a redevelopment  
6 project, or any assignee or assignees of such lessor's interest or any  
7 part thereof, and the federal government when it is a party to any  
8 contract with such authority;

9 (21) Occupation tax means a tax imposed under section 18-2142.02;

10 (22) Person means any individual, firm, partnership, limited  
11 liability company, corporation, company, association, joint-stock  
12 association, or body politic and includes any trustee, receiver,  
13 assignee, or other similar representative thereof;

14 (23) Public body means the state or any municipality, county,  
15 township, board, commission, authority, district, or other political  
16 subdivision or public body of the state;

17 (24) Real property means all lands, including improvements and  
18 fixtures thereon, and property of any nature appurtenant thereto, or used  
19 in connection therewith, and every estate, interest and right, legal or  
20 equitable, therein, including terms for years and liens by way of  
21 judgment, mortgage, or otherwise, and the indebtedness secured by such  
22 liens;

23 (25) Redeveloper means any person, partnership, or public or private  
24 corporation or agency which enters or proposes to enter into a  
25 redevelopment contract;

26 (26) Redevelopment contract means a contract entered into between an  
27 authority and a redeveloper for the redevelopment of an area in  
28 conformity with a redevelopment plan;

29 (27) Redevelopment plan means a plan, as it exists from time to time  
30 for one or more community redevelopment areas, or for a redevelopment  
31 project, which (a) conforms to the general plan for the municipality as a

1 whole and (b) is sufficiently complete to indicate such land acquisition,  
2 demolition and removal of structures, redevelopment, improvements, and  
3 rehabilitation as may be proposed to be carried out in the community  
4 redevelopment area, zoning and planning changes, if any, land uses,  
5 maximum densities, and building requirements;

6 (28) Redevelopment project means any work or undertaking in one or  
7 more community redevelopment areas: (a) To acquire substandard and  
8 blighted areas or portions thereof, including lands, structures, or  
9 improvements the acquisition of which is necessary or incidental to the  
10 proper clearance, development, or redevelopment of such substandard and  
11 blighted areas; (b) to clear any such areas by demolition or removal of  
12 existing buildings, structures, streets, utilities, or other improvements  
13 thereon and to install, construct, or reconstruct streets, utilities,  
14 parks, playgrounds, public spaces, public parking facilities, sidewalks  
15 or moving sidewalks, convention and civic centers, bus stop shelters,  
16 lighting, benches or other similar furniture, trash receptacles,  
17 shelters, skywalks and pedestrian and vehicular overpasses and  
18 underpasses, and any other necessary public improvements essential to the  
19 preparation of sites for uses in accordance with a redevelopment plan;  
20 (c) to sell, lease, or otherwise make available land in such areas for  
21 residential, recreational, commercial, industrial, or other uses,  
22 including parking or other facilities functionally related or subordinate  
23 to such uses, or for public use or to retain such land for public use, in  
24 accordance with a redevelopment plan; and may also include the  
25 preparation of the redevelopment plan, the planning, survey, and other  
26 work incident to a redevelopment project and the preparation of all plans  
27 and arrangements for carrying out a redevelopment project; (d) to dispose  
28 of all real and personal property or any interest in such property, or  
29 assets, cash, or other funds held or used in connection with residential,  
30 recreational, commercial, industrial, or other uses, including parking or  
31 other facilities functionally related or subordinate to such uses, or any

1 public use specified in a redevelopment plan or project, except that such  
2 disposition shall be at its fair value for uses in accordance with the  
3 redevelopment plan; (e) to acquire real property in a community  
4 redevelopment area which, under the redevelopment plan, is to be repaired  
5 or rehabilitated for dwelling use or related facilities, repair or  
6 rehabilitate the structures, and resell the property; and (f) to carry  
7 out plans for a program of voluntary or compulsory repair,  
8 rehabilitation, or demolition of buildings or other improvements in  
9 accordance with the redevelopment plan;

10 (29) Redevelopment project valuation means the valuation for  
11 assessment of the taxable real property in a redevelopment project last  
12 certified for the year prior to the effective date of the provision  
13 authorized in section 18-2147; and

14 (30) Substandard area means an area in which there is a predominance  
15 of buildings or improvements, whether nonresidential or residential in  
16 character, which, by reason of dilapidation, deterioration, age or  
17 obsolescence, inadequate provision for ventilation, light, air,  
18 sanitation, or open spaces, high density of population and overcrowding,  
19 or the existence of conditions which endanger life or property by fire  
20 and other causes, or any combination of such factors, is conducive to ill  
21 health, transmission of disease, infant mortality, juvenile delinquency,  
22 and crime, (which cannot be remedied through construction of prisons),  
23 and is detrimental to the public health, safety, morals, or welfare.

24 ~~(1) An authority means any community redevelopment authority created~~  
25 ~~pursuant to section 18-2102.01 and a city or village which has created a~~  
26 ~~community development agency pursuant to the provisions of section~~  
27 ~~18-2101.01 and does not include a limited community redevelopment~~  
28 ~~authority;~~

29 ~~(2) Limited community redevelopment authority means a community~~  
30 ~~redevelopment authority created pursuant to section 18-2102.01 having~~  
31 ~~only one single specific limited pilot project authorized;~~

1           ~~(3) City means any city or incorporated village in the state;~~

2           ~~(4) Public body means the state or any municipality, county,~~  
3 ~~township, board, commission, authority, district, or other political~~  
4 ~~subdivision or public body of the state;~~

5           ~~(5) Governing body or local governing body means the city council,~~  
6 ~~board of trustees, or other legislative body charged with governing the~~  
7 ~~municipality;~~

8           ~~(6) Mayor means the mayor of the city or chairperson of the board of~~  
9 ~~trustees of the village;~~

10          ~~(7) Clerk means the clerk of the city or village;~~

11          ~~(8) Federal government means the United States of America, or any~~  
12 ~~agency or instrumentality, corporate or otherwise, of the United States~~  
13 ~~of America;~~

14          ~~(9) Area of operation means and includes the area within the~~  
15 ~~corporate limits of the city and such land outside the city as may come~~  
16 ~~within the purview of sections 18-2123 and 18-2123.01;~~

17          ~~(10) Substandard areas means an area in which there is a~~  
18 ~~predominance of buildings or improvements, whether nonresidential or~~  
19 ~~residential in character, which, by reason of dilapidation,~~  
20 ~~deterioration, age or obsolescence, inadequate provision for ventilation,~~  
21 ~~light, air, sanitation, or open spaces, high density of population and~~  
22 ~~overcrowding, or the existence of conditions which endanger life or~~  
23 ~~property by fire and other causes, or any combination of such factors, is~~  
24 ~~conducive to ill health, transmission of disease, infant mortality,~~  
25 ~~juvenile delinquency, and crime, (which cannot be remedied through~~  
26 ~~construction of prisons), and is detrimental to the public health,~~  
27 ~~safety, morals, or welfare;~~

28          ~~(11) Blighted area means an area, which (a) by reason of the~~  
29 ~~presence of a substantial number of deteriorated or deteriorating~~  
30 ~~structures, existence of defective or inadequate street layout, faulty~~  
31 ~~lot layout in relation to size, adequacy, accessibility, or usefulness,~~



1 ~~insanitary or unsafe conditions, deterioration of site or other~~  
2 ~~improvements, diversity of ownership, tax or special assessment~~  
3 ~~delinquency exceeding the fair value of the land, defective or unusual~~  
4 ~~conditions of title, improper subdivision or obsolete platting, or the~~  
5 ~~existence of conditions which endanger life or property by fire and other~~  
6 ~~causes, or any combination of such factors, substantially impairs or~~  
7 ~~arrests the sound growth of the community, retards the provision of~~  
8 ~~housing accommodations, or constitutes an economic or social liability~~  
9 ~~and is detrimental to the public health, safety, morals, or welfare in~~  
10 ~~its present condition and use and (b) in which there is at least one of~~  
11 ~~the following conditions: (i) Unemployment in the designated area is at~~  
12 ~~least one hundred twenty percent of the state or national average; (ii)~~  
13 ~~the average age of the residential or commercial units in the area is at~~  
14 ~~least forty years; (iii) more than half of the plotted and subdivided~~  
15 ~~property in an area is unimproved land that has been within the city for~~  
16 ~~forty years and has remained unimproved during that time; (iv) the per~~  
17 ~~capita income of the area is lower than the average per capita income of~~  
18 ~~the city or village in which the area is designated; or (v) the area has~~  
19 ~~had either stable or decreasing population based on the last two~~  
20 ~~decennial censuses. In no event shall a city of the metropolitan,~~  
21 ~~primary, or first class designate more than thirty-five percent of the~~  
22 ~~city as blighted, a city of the second class shall not designate an area~~  
23 ~~larger than fifty percent of the city as blighted, and a village shall~~  
24 ~~not designate an area larger than one hundred percent of the village as~~  
25 ~~blighted. A redevelopment project involving a formerly used defense site~~  
26 ~~as authorized under section 18-2123.01 shall not count towards the~~  
27 ~~percentage limitations contained in this subdivision;~~

28 ~~(12) Redevelopment project means any work or undertaking in one or~~  
29 ~~more community redevelopment areas: (a) To acquire substandard and~~  
30 ~~blighted areas or portions thereof, including lands, structures, or~~  
31 ~~improvements the acquisition of which is necessary or incidental to the~~

1 ~~proper clearance, development, or redevelopment of such substandard and~~  
2 ~~blighted areas; (b) to clear any such areas by demolition or removal of~~  
3 ~~existing buildings, structures, streets, utilities, or other improvements~~  
4 ~~thereon and to install, construct, or reconstruct streets, utilities,~~  
5 ~~parks, playgrounds, public spaces, public parking facilities, sidewalks~~  
6 ~~or moving sidewalks, convention and civic centers, bus stop shelters,~~  
7 ~~lighting, benches or other similar furniture, trash receptacles,~~  
8 ~~shelters, skywalks and pedestrian and vehicular overpasses and~~  
9 ~~underpasses, and any other necessary public improvements essential to the~~  
10 ~~preparation of sites for uses in accordance with a redevelopment plan;~~  
11 ~~(c) to sell, lease, or otherwise make available land in such areas for~~  
12 ~~residential, recreational, commercial, industrial, or other uses,~~  
13 ~~including parking or other facilities functionally related or subordinate~~  
14 ~~to such uses, or for public use or to retain such land for public use, in~~  
15 ~~accordance with a redevelopment plan; and may also include the~~  
16 ~~preparation of the redevelopment plan, the planning, survey, and other~~  
17 ~~work incident to a redevelopment project and the preparation of all plans~~  
18 ~~and arrangements for carrying out a redevelopment project; (d) to dispose~~  
19 ~~of all real and personal property or any interest in such property, or~~  
20 ~~assets, cash, or other funds held or used in connection with residential,~~  
21 ~~recreational, commercial, industrial, or other uses, including parking or~~  
22 ~~other facilities functionally related or subordinate to such uses, or any~~  
23 ~~public use specified in a redevelopment plan or project, except that such~~  
24 ~~disposition shall be at its fair value for uses in accordance with the~~  
25 ~~redevelopment plan; (e) to acquire real property in a community~~  
26 ~~redevelopment area which, under the redevelopment plan, is to be repaired~~  
27 ~~or rehabilitated for dwelling use or related facilities, repair or~~  
28 ~~rehabilitate the structures, and resell the property; and (f) to carry~~  
29 ~~out plans for a program of voluntary or compulsory repair,~~  
30 ~~rehabilitation, or demolition of buildings or other improvements in~~  
31 ~~accordance with the redevelopment plan;~~

1       ~~(13) Redevelopment plan means a plan, as it exists from time to time~~  
2       ~~for one or more community redevelopment areas, or for a redevelopment~~  
3       ~~project, which (a) conforms to the general plan for the municipality as a~~  
4       ~~whole and (b) is sufficiently complete to indicate such land acquisition,~~  
5       ~~demolition and removal of structures, redevelopment, improvements, and~~  
6       ~~rehabilitation as may be proposed to be carried out in the community~~  
7       ~~redevelopment area, zoning and planning changes, if any, land uses,~~  
8       ~~maximum densities, and building requirements;~~

9       ~~(14) Redeveloper means any person, partnership, or public or private~~  
10       ~~corporation or agency which enters or proposes to enter into a~~  
11       ~~redevelopment contract;~~

12       ~~(15) Redevelopment contract means a contract entered into between an~~  
13       ~~authority and a redeveloper for the redevelopment of an area in~~  
14       ~~conformity with a redevelopment plan;~~

15       ~~(16) Real property means all lands, including improvements and~~  
16       ~~fixtures thereon, and property of any nature appurtenant thereto, or used~~  
17       ~~in connection therewith, and every estate, interest and right, legal or~~  
18       ~~equitable, therein, including terms for years and liens by way of~~  
19       ~~judgment, mortgage, or otherwise, and the indebtedness secured by such~~  
20       ~~liens;~~

21       ~~(17) Bonds means any bonds, including refunding bonds, notes,~~  
22       ~~interim certificates, debentures, or other obligations issued pursuant to~~  
23       ~~the Community Development Law except for bonds issued pursuant to section~~  
24       ~~18-2142.04;~~

25       ~~(18) Obligee means any bondholder, agent, or trustee for any~~  
26       ~~bondholder, or lessor demising to any authority, established pursuant to~~  
27       ~~section 18-2102.01, property used in connection with a redevelopment~~  
28       ~~project, or any assignee or assignees of such lessor's interest or any~~  
29       ~~part thereof, and the federal government when it is a party to any~~  
30       ~~contract with such authority;~~

31       ~~(19) Person means any individual, firm, partnership, limited~~

1 ~~liability company, corporation, company, association, joint-stock~~  
2 ~~association, or body politic and includes any trustee, receiver,~~  
3 ~~assignee, or other similar representative thereof;~~

4 ~~(20) Community redevelopment area means a substandard and blighted~~  
5 ~~area which the community redevelopment authority designates as~~  
6 ~~appropriate for a renewal project;~~

7 ~~(21) Redevelopment project valuation means the valuation for~~  
8 ~~assessment of the taxable real property in a redevelopment project last~~  
9 ~~certified for the year prior to the effective date of the provision~~  
10 ~~authorized in section 18-2147;~~

11 ~~(22) Enhanced employment area means an area not exceeding six~~  
12 ~~hundred acres (a) within a community redevelopment area which is~~  
13 ~~designated by an authority as eligible for the imposition of an~~  
14 ~~occupation tax or (b) not within a community redevelopment area as may be~~  
15 ~~designated under section 18-2142.04;~~

16 ~~(23) Employee means a person employed at a business as a result of a~~  
17 ~~redevelopment project;~~

18 ~~(24) Employer-provided health benefit means any item paid for by the~~  
19 ~~employer in total or in part that aids in the cost of health care~~  
20 ~~services, including, but not limited to, health insurance, health savings~~  
21 ~~accounts, and employer reimbursement of health care costs;~~

22 ~~(25) Equivalent employees means the number of employees computed by~~  
23 ~~(a) dividing the total hours to be paid in a year by (b) the product of~~  
24 ~~forty times the number of weeks in a year;~~

25 ~~(26) Business means any private business located in an enhanced~~  
26 ~~employment area;~~

27 ~~(27) New investment means the value of improvements to real estate~~  
28 ~~made in an enhanced employment area by a developer or a business;~~

29 ~~(28) Number of new employees means the number of equivalent~~  
30 ~~employees that are employed at a business as a result of the~~  
31 ~~redevelopment project during a year that are in excess of the number of~~

1 ~~equivalent employees during the year immediately prior to the year that a~~  
2 ~~redevelopment plan is adopted; and~~

3 ~~(29) Occupation tax means a tax imposed under section 18-2142.02.~~

4 Sec. 2. Section 18-2109, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 18-2109 (1) An authority shall not prepare a redevelopment plan for  
7 a redevelopment project area unless the governing body of the city in  
8 which such area is located has, by resolution adopted after a public  
9 hearing with notice provided as specified in section 18-2115, declared  
10 such area to be a substandard and blighted area in need of redevelopment.  
11 The governing body of the city shall submit the question of whether an  
12 area is substandard and blighted to the planning commission or board of  
13 the city for its review and recommendation prior to making its  
14 declaration. The planning commission or board shall submit its written  
15 recommendations within thirty days after receipt of the request. Upon  
16 receipt of the recommendations or after thirty days if no recommendation  
17 is received, the governing body may make its declaration.

18 (2) An authority shall not prepare a redevelopment plan for a  
19 redevelopment project area which includes an extremely blighted area  
20 unless the governing body of the city in which such redevelopment project  
21 area is located has, by resolution, declared more than fifty percent of  
22 the property in the redevelopment project area to be an extremely  
23 blighted area in need of redevelopment. Prior to making such declaration,  
24 the governing body shall submit the question of whether more than fifty  
25 percent of the property in the redevelopment project area is extremely  
26 blighted to the planning commission or board of the city for its review  
27 and recommendation. The planning commission or board shall hold a public  
28 hearing on the question with notice provided as specified in section  
29 18-2115. The planning commission or board shall submit its written  
30 recommendations to the governing body within thirty days after the public  
31 hearing. Upon receipt of the recommendations, the governing body shall

1 hold its own public hearing on such question with notice provided as  
2 specified in section 18-2115. Upon completion of its public hearing, the  
3 governing body may make its declaration. A hearing under this subsection  
4 may be held in conjunction with a hearing under subsection (1) of this  
5 section.

6 Sec. 3. Section 18-2117.01, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 18-2117.01 (1) On or before December 1 each year, each city which  
9 has approved one or more redevelopment plans which are financed in whole  
10 or in part through the use of tax-increment financing as provided in  
11 section 18-2147 shall provide a report to the Property Tax Administrator  
12 on each such redevelopment plan which includes the following information:

13 (a) A copy of the redevelopment plan and any amendments thereto if  
14 they have not been previously filed, including the date upon which the  
15 redevelopment plan was approved, the effective date for dividing the ad  
16 valorem tax as provided to the county assessor pursuant to subsection (4)  
17 ~~(3)~~ of section 18-2147, and the location and boundaries of the property  
18 in the redevelopment project; and

19 (b) A short narrative description of the type of development  
20 undertaken by the city or village with the financing and the type of  
21 business or commercial activity locating within the redevelopment project  
22 area as a result of the redevelopment project.

23 (2) The Property Tax Administrator shall compile a report for each  
24 active redevelopment project, based upon information provided by the  
25 cities pursuant to subsection (1) of this section and information  
26 reported by the county assessor or county clerk on the certificate of  
27 taxes levied pursuant to section 77-1613.01. Each report shall be  
28 electronically transmitted to the Clerk of the Legislature not later than  
29 March 1 each year. The report may include any recommendations of the  
30 Property Tax Administrator as to what other information should be  
31 included in the report from the cities so as to facilitate analysis of

1 the uses, purposes, and effectiveness of tax-increment financing and the  
2 process for its implementation or to streamline the reporting process  
3 provided for in this section to eliminate unnecessary paperwork.

4 Sec. 4. Section 18-2147, Revised Statutes Cumulative Supplement,  
5 2016, is amended to read:

6 18-2147 (1) Any redevelopment plan as originally approved or as  
7 later modified pursuant to section 18-2117 may contain a provision that  
8 any ad valorem tax levied upon real property, or any portion thereof, in  
9 a redevelopment project for the benefit of any public body shall be  
10 divided, for a period not to exceed the maximum term described in  
11 subsection (2) of this section ~~fifteen years after the effective date as~~  
12 ~~identified in the project redevelopment contract or in the resolution of~~  
13 ~~the authority authorizing the issuance of bonds pursuant to section~~  
14 ~~18-2124~~, as follows:

15 (a) That portion of the ad valorem tax which is produced by the levy  
16 at the rate fixed each year by or for each such public body upon the  
17 redevelopment project valuation shall be paid into the funds of each such  
18 public body in the same proportion as are all other taxes collected by or  
19 for the body. When there is not a redevelopment project valuation on a  
20 parcel or parcels, the county assessor shall determine the redevelopment  
21 project valuation based upon the fair market valuation of the parcel or  
22 parcels as of January 1 of the year prior to the year that the ad valorem  
23 taxes are to be divided. The county assessor shall provide written notice  
24 of the redevelopment project valuation to the authority as defined in  
25 section 18-2103 and the owner. The authority or owner may protest the  
26 valuation to the county board of equalization within thirty days after  
27 the date of the valuation notice. All provisions of section 77-1502  
28 except dates for filing of a protest, the period for hearing protests,  
29 and the date for mailing notice of the county board of equalization's  
30 decision are applicable to any protest filed pursuant to this section.  
31 The county board of equalization shall decide any protest filed pursuant

1 to this section within thirty days after the filing of the protest. The  
2 county clerk shall mail a copy of the decision made by the county board  
3 of equalization on protests pursuant to this section to the authority or  
4 owner within seven days after the board's decision. Any decision of the  
5 county board of equalization may be appealed to the Tax Equalization and  
6 Review Commission, in accordance with section 77-5013, within thirty days  
7 after the date of the decision;

8 (b) That portion of the ad valorem tax on real property, as provided  
9 in the redevelopment contract or bond resolution, in the redevelopment  
10 project in excess of such amount, if any, shall be allocated to and, when  
11 collected, paid into a special fund of the authority to be used solely to  
12 pay the principal of, the interest on, and any premiums due in connection  
13 with the bonds of, loans, notes, or advances of money to, or indebtedness  
14 incurred by, whether funded, refunded, assumed, or otherwise, such  
15 authority for financing or refinancing, in whole or in part, the  
16 redevelopment project. When such bonds, loans, notes, advances of money,  
17 or indebtedness, including interest and premiums due, have been paid, the  
18 authority shall so notify the county assessor and county treasurer and  
19 all ad valorem taxes upon taxable real property in such a redevelopment  
20 project shall be paid into the funds of the respective public bodies; and

21 (c) Any interest and penalties due for delinquent taxes shall be  
22 paid into the funds of each public body in the same proportion as are all  
23 other taxes collected by or for the public body.

24 (2) The maximum term for dividing ad valorem taxes under subsection  
25 (1) of this section shall be:

26 (a) Twenty years after the effective date as identified in the  
27 project redevelopment contract or in the resolution of the authority  
28 authorizing the issuance of bonds pursuant to section 18-2124 if more  
29 than fifty percent of the property in the redevelopment project area has  
30 been declared an extremely blighted area; or

31 (b) Fifteen years after the effective date as identified in the



1 project redevelopment contract or in the resolution of the authority  
2 authorizing the issuance of bonds pursuant to section 18-2124 if no such  
3 declaration has occurred.

4 (3) ~~(2)~~ The effective date of a provision dividing ad valorem taxes  
5 as provided in subsection (1) of this section shall not occur until such  
6 time as the real property in the redevelopment project is within the  
7 corporate boundaries of the city. This subsection shall not apply to a  
8 redevelopment project involving a formerly used defense site as  
9 authorized in section 18-2123.01.

10 (4) ~~(3)~~ Beginning August 1, 2006, all notices of the provision for  
11 dividing ad valorem taxes shall be sent by the authority to the county  
12 assessor on forms prescribed by the Property Tax Administrator. The  
13 notice shall be sent to the county assessor on or before August 1 of the  
14 year of the effective date of the provision. Failure to satisfy the  
15 notice requirement of this section shall result in the taxes, for all  
16 taxable years affected by the failure to give notice of the effective  
17 date of the provision, remaining undivided and being paid into the funds  
18 for each public body receiving property taxes generated by the property  
19 in the redevelopment project. However, the redevelopment project  
20 valuation for the remaining division of ad valorem taxes in accordance  
21 with subdivisions (1)(a) and (b) of this section shall be the last  
22 certified valuation for the taxable year prior to the effective date of  
23 the provision to divide the taxes for the remaining portion of the  
24 fifteen-year or twenty-year period pursuant to subsection (1) of this  
25 section.

26 Sec. 5. Original sections 18-2109 and 18-2117.01, Reissue Revised  
27 Statutes of Nebraska, and sections 18-2103 and 18-2147, Revised Statutes  
28 Cumulative Supplement, 2016, are repealed.