

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 713

Introduced by Flood, 19.

Read first time January 05, 2022

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to the Community Development Law; to amend
- 2 section 18-2147, Revised Statutes Supplement, 2021; to prohibit the
- 3 use of tax-increment financing for certain purposes; and to repeal
- 4 the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2147, Revised Statutes Supplement, 2021, is
2 amended to read:

3 18-2147 (1) Except as provided in subsection (6) of this section,
4 any Any redevelopment plan as originally approved or as later modified
5 pursuant to section 18-2117 may contain a provision that any ad valorem
6 tax levied upon real property, or any portion thereof, in a redevelopment
7 project for the benefit of any public body shall be divided, for the
8 applicable period described in subsection (3) of this section, as
9 follows:

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

1 Review Commission, in accordance with section 77-5013, within thirty days
2 after the date of the decision;

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

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

22 (2) To the extent that a redevelopment plan authorizes the division
23 of ad valorem taxes levied upon only a portion of the real property
24 included in such redevelopment plan, any improvements funded by such
25 division of taxes shall be related to the redevelopment plan that
26 authorized such division of taxes.

27 (3)(a) For redevelopment plans that receive an expedited review
28 under section 18-2155, ad valorem taxes shall be divided for a period not
29 to exceed ten years after the effective date as identified in the
30 redevelopment plan.

31 (b) For any redevelopment plan for which more than fifty percent of

1 the property in the redevelopment project area has been declared an
2 extremely blighted area in accordance with section 18-2101.02, ad valorem
3 taxes shall be divided for a period not to exceed twenty years after the
4 effective date as identified in the project redevelopment contract or in
5 the resolution of the authority authorizing the issuance of bonds
6 pursuant to section 18-2124.

7 (c) For all other redevelopment plans, ad valorem taxes shall be
8 divided for a period not to exceed fifteen years after the effective date
9 as identified in the project redevelopment contract or in the resolution
10 of the authority authorizing the issuance of bonds pursuant to section
11 18-2124.

12 (4) The effective date of a provision dividing ad valorem taxes as
13 provided in subsection (3) of this section shall not occur until such
14 time as the real property in the redevelopment project is within the
15 corporate boundaries of the city. This subsection shall not apply to a
16 redevelopment project involving a formerly used defense site as
17 authorized in section 18-2123.01.

18 (5) Beginning August 1, 2006, all notices of the provision for
19 dividing ad valorem taxes shall be sent by the authority to the county
20 assessor on forms prescribed by the Property Tax Administrator. The
21 notice shall be sent to the county assessor on or before August 1 of the
22 year of the effective date of the provision. Failure to satisfy the
23 notice requirement of this section shall result in the taxes, for all
24 taxable years affected by the failure to give notice of the effective
25 date of the provision, remaining undivided and being paid into the funds
26 for each public body receiving property taxes generated by the property
27 in the redevelopment project. However, the redevelopment project
28 valuation for the remaining division of ad valorem taxes in accordance
29 with subdivisions (1)(a) and (b) of this section shall be the last
30 certified valuation for the taxable year prior to the effective date of
31 the provision to divide the taxes for the remaining portion of the ten-

1 year, twenty-year, or fifteen-year period pursuant to subsection (3) of
2 this section.

3 (6) The division of ad valorem taxes described in this section shall
4 not be allowed if the redevelopment plan includes a redevelopment project
5 relating to a casino or a licensed racetrack enclosure. For purposes of
6 this subsection, licensed racetrack enclosure has the same meaning as in
7 section 9-1103.

8 Sec. 2. Original section 18-2147, Revised Statutes Supplement,
9 2021, is repealed.