

AMENDMENTS TO LB1043

Introduced by McKinney, 11.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. (1) For purposes of this section:

4 (a) Community development corporation means a private, nonprofit
5 corporation whose board of directors is comprised of business, civic, and
6 community leaders, and whose principal purpose includes the provision of
7 low-income housing or community economic development projects that
8 primarily benefit low-income individuals and communities;

9 (b) Community development organization means a private, nonprofit
10 organization that works to improve the social, economic, and
11 environmental well-being of a specific geographic area or community.
12 Community development organizations focus on grassroots efforts and
13 community engagement to address local needs and promote sustainable
14 development. Community development organizations may engage in a wide
15 range of activities, including, but not limited to, affordable housing,
16 economic development, education and training, community engagement,
17 health and social services, environmental sustainability, civic
18 engagement, infrastructure development, and cultural and recreational
19 activities;

20 (c) Covered nonprofit organization means any community development
21 corporation, community development organization, or economic development
22 corporation. The term does not include any political subdivision of the
23 state;

24 (d) Department means the Department of Economic Development;

25 (e) Director means the Director of Economic Development;

26 (f) Economic development corporation means a private, nonprofit
27 corporation whose primary goal is the promotion of economic growth, job

1 creation, and overall economic prosperity within a specific geographic
2 area. Economic development corporations may engage in a wide range of
3 activities, including, but not limited to, promoting business growth,
4 supporting entrepreneurship, attracting investment, workforce
5 development, infrastructure development, industry cluster development,
6 and industry collaboration and advocacy;

7 (g) High-poverty area means an area consisting of one or more
8 contiguous census tracts, as determined by the most recent federal
9 decennial census, which contain a percentage of persons with incomes
10 below the poverty line of greater than thirty percent, and all census
11 tracts contiguous to such tract or tracts, as determined by the most
12 recent federal decennial census;

13 (h) Market value means the fair market value of real property as
14 determined by an independent appraisal; and

15 (i) Underutilized tax-exempt property means any real property in
16 this state that (i) is exempt from property taxes and (ii) is completely
17 undeveloped or contains deteriorating structures.

18 (2)(a) A covered nonprofit organization that owns or acquires
19 underutilized tax-exempt property located within a high-poverty area
20 shall develop such property within two years after the effective date of
21 this act or the date of acquiring such property, whichever is later. Such
22 development must:

23 (i) Increase the market value of the property by at least twenty-
24 five percent; and

25 (ii) Result in the creation of new jobs or the starting of a new
26 business on such property.

27 (b) The covered nonprofit organization shall electronically submit a
28 development plan for the underutilized tax-exempt property to the
29 department, the Clerk of the Legislature, and the chairperson of the
30 Urban Affairs Committee of the Legislature within ninety days after the
31 effective date of this act or the date of acquiring the property,

1 whichever is later. The development plan shall include a description of
2 the proposed development and an estimated timeline for such development.

3 (c)(i) If a covered nonprofit organization fails to develop the
4 property within the two-year period described in subdivision (a) of this
5 subsection, the director shall, following notice and opportunity for
6 hearing in accordance with the Administrative Procedure Act, impose a
7 fine of five hundred thousand dollars.

8 (ii) If the failure to develop the property persists for twelve
9 months after the end of the two-year period described in subdivision (a)
10 of this subsection, the director shall, following notice and opportunity
11 for hearing in accordance with the Administrative Procedure Act, impose a
12 fine of one million dollars.

13 (iii) If the failure to develop the property persists for twenty-
14 four months after the end of the two-year period described in subdivision
15 (a) of this subsection, the director shall, following notice and
16 opportunity for hearing in accordance with the Administrative Procedure
17 Act, revoke the property tax exemption for the underutilized tax-exempt
18 property.

19 (3)(a) A covered nonprofit organization that owns or acquires
20 underutilized tax-exempt property located within a high-poverty area
21 shall not attempt to sell such property at a price that is more than
22 fifty percent above the market value for such property.

23 (b) If a covered nonprofit organization violates subdivision (a) of
24 this subsection, the director shall, following notice and opportunity for
25 hearing in accordance with the Administrative Procedure Act, revoke the
26 property tax exemption for the underutilized tax-exempt property.

27 (4) All money collected as a fine under this section shall be
28 remitted to the State Treasurer for distribution in accordance with
29 Article VII, section 5, of the Constitution of Nebraska.

30 (5) The department may adopt and promulgate rules and regulations to
31 carry out this section.

1 Sec. 2. If any section in this act or any part of any section is
2 declared invalid or unconstitutional, the declaration shall not affect
3 the validity or constitutionality of the remaining portions.