

**ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB170**

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**Hearing Date:** Tuesday January 24, 2023  
**Committee On:** Urban Affairs  
**Introducer:** McKinney  
**One Liner:** Redefine blighted area under the Nebraska Investment Finance Authority Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	5	Senators Blood, Cavanaugh, J., Day, Hunt, McKinney
<b>Nay:</b>	2	Senators Hardin, Lowe
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Testimony:**

**Proponents:**

Senator Terrell McKinney  
Shannon Harner  
Lynn Rex

**Representing:**

Opening Presenter  
NIFA  
League of NE Municipalities

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

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

LB 170 matches the definition of “blighted area” under the Nebraska Investment Finance Authority Act with the definition under the Community Development Law (18-2103.)

**Background & Legislative History:**

Under the Community Development Law, municipalities can utilize tax-increment financing (TIF) for the redevelopment of properties that have been deemed “substandard and blighted”, and the terms “substandard area” and “blighted area” are statutorily defined terms.

While the term “blighted area” has been updated in the Community Development Law several times in the past few years, the Nebraska Investment Finance Authority (NIFA) Act also contains a definition of “blighted area” which has not been updated since 1991.

Blighted is defined under the Community Development Law as:

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(a) which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use, and

(b) in which there is at least one of the following conditions:

- (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average;
- (ii) the average age of the residential or commercial units in the area is at least forty years;
- (iii) more than half of the platted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time;
- (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or
- (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted

Section-by-Section Summary:

Section 1 of the bill amends 58-209.01 to have the term “blighted area” meet the same definition as in 18-2103.

Section 2 of the bill repeals original sections.

Technical Comments:

This change would also add: “A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 and any area declared to be an extremely blighted area under section 18-2101.02 shall not count towards the percentage limitations contained in this subdivision;” to the definition of blight under 58-209.01.

Overall, LB 170 would update the definition of “blighted area” in the NIFA Act to align it with the definition of “blighted area” in the Community Development Law.

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Terrell McKinney, Chairperson